

To: Santa Clara City Council
From: Santa Clara TID Hotels

Date: 1/1/2020

First and foremost, we'd like to take this opportunity to thank the City Council and city staff for their great work in the development of a new direction for Tourism in Santa Clara. There are several milestones that have been accomplished including new professional partners in the Convention Center and a newly formed Destination Marketing Organization with a very focused mission. The Santa Clara TID hotels are very pleased with the direction that is emerging and are very confident that we will see the results of all of the great effort.

When the overall plan was being developed it was predicated on the ability to have sufficient resources to reposition Santa Clara as a "destination of choice" for Conventions and Meetings. This has been the focus of the collective efforts including a newly developed booking strategy designed to bring new large conventions into the Santa Clara Convention Center. This booking strategy will be vital to the future successes of the Santa Clara hospitality industry. In addition to the success of our Hotel industry, these large conventions will create new jobs for the entire workforce of Santa Clara and the greater Silicon Valley. Adding the impact of these additional conventions will have a significant impact on the entire Santa Clara Business Community. The industry anticipates that these new booking processes will be very achievable and have an increase of 35,000-40,000 new convention delegates annually. These new delegates will be staying overnight in Santa Clara hotels and spending their dollars in a variety of restaurants, shopping in our stores and other leisure attractions.

The TID was deliberate in proposing to increase their self-assessed fees to the new 2% fee in support of the efforts mentioned above. It is our intent to develop sufficient funds to increase the convention and meetings activity from these assessments themselves today. To be clear, with very rare exception the Santa Clara Convention Center does not currently host any of these targeted large conventions today. The significant additional dollars that will be raised will give our new DMO and our partners at the Santa Clara Convention Center (Spectra and Levy) the resources to create a multi-year plan to grow this business to the level that we believe Santa Clara can attain.

A preliminary budget has been developed in conjunction with the City that lays out a staffing plan as well as a marketing approach to begin to achieve our goals. We believe it is achievable for the Santa Clara Convention Center to host 15 to 20 of these large conventions on an annual basis. What is important to understand is that "we" are virtually starting from ground zero in reintroducing a new Santa Clara to the National and International decision makers in the Meetings and Convention Industry. This will take a robust marketing effort that is complemented with an aggressive and well-staffed sales operation which will be focused on exceeding the specific goals stated above.

We would urge the Council to support the funding plan that the Santa Clara TID hotels unanimously supports. The fact that we have a unified hospitality industry that is willing to self-

tax themselves for this effort is a competitive advantage for Santa Clara. In addition, the TID hotels understand that the previous resources that were expended by the City in support of these efforts will no longer be utilized when the new assessment amount begins collections.

In closing, on behalf of the TID Hotels, again, we want to express our sincere appreciation for the collaboration up to this point. We are also committed to deliver clear results with complete transparency, with all of the key partners in this effort.

Respectfully,

Eron Hodges
Tourism Improvement District - Chair