

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

Hyatt Regency
5101 Great America Parkway
Santa Clara, CA 95054

November 18, 2019, 9:00 a.m.

Call to Order

Eron Hodges, Chair, called the meeting to order at 9:07 a.m.

Roll Call

Present: 9 Jordan Austin, General Manager, Element Santa Clara
Joe Eustice, General Manager, Hilton Santa Clara
Peter Hart, General Manager, Embassy Suites
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Mike Lerman, General Manager, AC Hotel Santa Clara
Alan Mass, General Manager, Hyatt House (call-in)
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Mark Salquist, General Manager, Avatar Hotel
Jon Siebring, General Manager, Biltmore Hotel

Absent: 2 Callette Nielsen, General Manager, Marriott Santa Clara
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

In Attendance

Dan Fenton, Executive Vice President, JLL
Kelly Carr, General Manager, Santa Clara Convention Center
Nancy Thome, Assistant to the City Manager, City of Santa Clara
Mark Evans, Director of Sales, Marriott Santa Clara
Ruth Shikada, Assistant City Manager, City of Santa Clara
Tina Walters, Director of Sales, AC Hotel Santa Clara
Mary Lynn Brubaker, Director of Sales, Hyatt House
Michelle Knipe, Director of Sales, Hilton Santa Clara

Public Comments

Jon Siebring announced the Biltmore will be starting renovations in March 2020 to convert to a Marriott. It is anticipated the renovations will take one year.

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 9, 2019, September 10, 2019 and October 10, 2019 Santa Clara Tourism Improvement District Advisory Board Regular Meetings and the Minutes of the October 18, 2019 Santa Clara Tourism Improve District Advisory Board Special Meeting.
2. Action on the Santa Clara Convention Center request for subsidy payment in the amount of \$33,900 for the Christian Congregations of Jehovah's Witness Events July 4-7, 2019 and July 11-14, 2019.

A motion was made by Mike Lerman, seconded by Mark Salquist to approve the Consent Calendar. Motion passed unanimously (9-0).

Consent Items Pulled for Discussion

General Business – Items for Discussion

3. Discussion on the Development of a Funding Agreement to Allow for the Transfer of TID Funds from the City TID Account to the DMO When Needed.

City staff is working with the City Attorney's Office to develop a funding agreement so that the City can serve as the fiduciary agent for the DMO. TID funds are currently held in City account and a mechanism needs to be put in place so that the City can release TID funds as needed on behalf of the DMO.

4. Action on the One-year Destinations International Event Impact Calculator License to be purchased by the Santa Clara Convention Center; and To Reimburse the Santa Clara Convention Center up to \$11,100 upon Completion of Purchase and Submission of Reimbursement Request to the City.

The Destinations International Event Impact Calculator is typically used by about 80% of convention bureaus and is the industry used platform to measure economic impact. This item was included in the TID's FY 19/20 budget and was used by the CVB. This request is for the Convention Center to purchase the license so that they can begin tracking economic impact for events and meetings. The purchase of this license directly relates to a KPI for the Center and Levy and is localized by entering information specific to the Santa Clara area.

A motion was made by Jean-Phillipe Rollet, seconded by Mike Lerman, to approve the purchase of a one-year Destinations International Event Impact Calendar License by the Santa Clara Convention Center and to reimburse the Santa Clara Convention Center up to \$11,100 upon completion of the purchase and submission of reimbursement request to the City. Motion passed unanimously (9-0).

5. Discussion on the Establishment of a Santa Clara Tourism Improvement District Subsidy Policy and Subcommittee.

This was a follow-up item from the TID Advisory Board meeting that took place on October 10. The Board will work to establish criteria so that any subsidy requests (TID funds) would

be evaluated based on the criteria. There could also be some room for flexibility to allow for the evaluation of exemptions from the established criteria. It was recommended that a subcommittee be established to develop guidelines in conjunction to the booking policy, for the subcommittee to be comprised of representatives of different sized hotels, and for the subcommittee to have a draft ready to present at the first TID Advisory Board meeting in January.

A motion was made by Jean-Phillipe Rollet, seconded by Jordan Austin, to establish a TID subcommittee to develop funding subsidy guidelines in conjunction with the development of the booking policy and to assign Mike Lerman, Callette Nielson and Joe Eustice to the subcommittee. Motion passed unanimously (9-0).

6. Review of Convention Center Calendar of Events for the Period 11/01/2019 – 12/31/2021.

The report provided by the Center includes a list of all confirmed events. The report is updated monthly and as the event date gets closer; the number of attendees may fluctuate as the event gets closer. The booking policy is still in progress and the goal is to have the policy applied to booking in the future. Kelly Carr indicated that he is currently looking at business and booking events within 6 months and without room nights. Hotels liked the report, would eventually like to see a pace report and would like to receive an updated report monthly.

7. Update on Website Management Agreement with Destination Advantage.

Eron Hodges and Joe Eustice met with Destination Advantage over the phone. Mike Lerman was unable to make the call due to preparations for the AC hotel's grand opening event. Eron and Joe reviewed the City's criteria with Destination Advantage who was mostly agreeable except for the rights of the website. Destination Advantage is still retaining ownership of the rights as outlined in the proposed agreement. The proposed term is 12 months with monthly invoicing. Eron will request updated agreement language regarding strategic partnerships with the goal for all partners to promote each other and the destination. The contract will be between Destination Advantage and the DMO should be focused on maintaining and keeping content current and accurate; not for Destination Advantage to do anything proactive. The City is also reviewing the proposed agreement and recommends the DMO and their legal counsel to review.

Kelly made the request for the RFP link to go directly to the Center as having two different pages/links is creating confusion. In a few instances, the Center did not receive any information that was submitted to the Destination Advantage managed site.

8. Update on the TID Conversion Process.

City staff presented the TID Conversion to Council at the meeting on November 12. Joe Eustice attended the meeting to represent the hotels. City Council approved the establishment of a new district however would like more information on the potential effect of changing to a percentage assessment formula. City Council is currently in the process of evaluating overall General Fund revenue opportunities in which an increase in the TOT was identified as a potential strategy. If the TID percentage changed to 2% and the City

increased the TOT percentage, the total percentage collected in the TID could potentially become one of the highest in the area. Currently, in the TID, the General Fund TOT is 9.5% and the Community Facility District Assessment is 2%. City staff will advise the Board of the next Council date once confirmed.

9. JLL Presentation on the Results of the Hotel Room Block Survey.

General Updates

Adjournment

The meeting adjourned at 10:14 a.m.

The next regular scheduled meeting is on Tuesday, December 10, 2019, 9:00 a.m. at the Hyatt Regency Santa Clara.