

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

December 10, 2020, 8:00 a.m.

Call to Order

Chair Hodges called the meeting to order at 8:03 a.m.

Roll Call

Roll Call

Present: 9 Joe Eustice, General Manager, Hilton Santa Clara
Justin Hart, General Manager, AC Hotel Santa Clara
Peter Hart, General Manager, Embassy Suites
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Callette Nielsen, General Manager, Marriott Santa Clara
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Mark Salquist, General Manager, Avatar Hotel (joined at 8:06 a.m.)
Jon Siebring, General Manager, Biltmore Hotel
Ryan Turner, General Manager, Element Santa Clara

Absent: 2 Alan Mass, General Manager, Hyatt House
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

In Attendance

Ruth Mizobe Shikada, Assistant City Manager, City of Santa Clara
Nancy Thome, Assistant to the City Manager, City of Santa Clara
Dan Fenton, Executive Vice President, JLL
Kelly Carr, General Manager, Spectra Venue Management

Mark Salquist joined the meeting at 8:06 a.m.

Public Comments

There were no public comments.

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 November 12, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

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

Consent Items Pulled for Discussion

None.

General Business – Items for Discussion

2. Introduction of Matt Stewart, new Silicon Valley/Santa Clara DMO (DMO), Inc. Chief Executive Officer (CEO).

Chair Hodges welcomed Matt Stewart who started with the DMO on November 16th. Matt Stewart expressed appreciation of TID support.

3. Silicon Valley/Santa Clara DMO, Inc. Updates.

Matt Stewart reported is very focused on the key performance indicators (KPIs) and that he hired a sales contractor last week. The contractor will strictly focus on getting P1 and P2 events on the books and has already started talking with customers with a predefined set of questions to get feedback on what it means to meet in Santa Clara. The contractor, Michael Lynch, used to work for Matt in San Francisco. Matt also reported that he has been interviewing marketing companies as part of the process to establish a naming standard/brand for the DMO, is working with JLL to connect with and advocate at the State level to reopen venues, is developing a reporting plan for the TID that correlates to the KPIs, is developing a sales and marketing plan, and learning the DMO budget.

4. Action on TID Subsidy Payment to XRX, Inc. (Stitches) in the amount of \$10,590.00 for February 18-23, 2020 Event at the Convention Center.

A motion was made by Joe Eustice, seconded by Jean-Phillippe Rollet, to approve the subsidy payment of \$10,590 to Stitches for its February 18-23, 2020 Event at the Convention Center. Motion passed unanimously (9-0).

5. Discussion and Action on Cost Share Strategy for Consultant Services for the Silicon Valley/Santa Clara DMO, Inc.

Assistant City Manager Shikada reported that with the expiration of the current agreement with JLL at the end of the month, the City has completed a procurement process to identify a contractor for continued support of the collaborative tourism strategy efforts. The selected vendor is JLL and the proposed agreement will be presented to Council for approval. Nancy Thome added that the City is proposing a cost share strategy with the TID/DMO for the agreement. Upon review of the past activities and proposed activities to continue CEO leadership development and organizational support to the DMO, it is proposed that the TID contribute 40% of the cost of the agreement starting January 1st. The monthly contract cost is \$12,500 and the TID's contribution would be \$5,000 monthly.

A motion was made by Callette Nielsen, seconded by Jean-Phillippe Rollet, to approve the proposed 60/40 cost share strategy for the consultant agreement. Motion passed unanimously (9-0).

6. City Update on the TID Conversion Schedule and Discussion on the Management District

Plan.

Nancy Thome reviewed the TID conversion timeline. The first presentation to Council is tentatively scheduled for January 26. The proposed changes to the Management District Plan (MDP) was also reviewed. The MDP was approved previously approved by the TID during the process past fiscal year and the only changes to the document was in the estimated future revenues. The revenues were estimated at 50% less than the initial projections due to COVID impacts. It was requested that any additional edits be submitted to the City by December 18.

Justin Hart left the meeting at 8:45 a.m.

A motion was made by Callette Nielsen, seconded by Joe Eustice, to approve the direction of the proposed updates to the MDP in consideration of any additional feedback received by December 18. Motion passed unanimously (8-0).

Jean-Phillippe Rollet left the meeting at 8:47 a.m.

7. Discussion on FY 2021/22 and FY 2022/23 Convention Center Operating Budget Planning and Goal Setting.

The City and JLL are currently working with Spectra and Levy on operating budgets for the next two years. Part of this process includes projections of the different event types that will take place at the Convention Center. This information will be brought back and shared with the TID.

8. Hotel Market Update and Discussion on Future TID Hotel Room Block Strategies.

Dan Fenton reminded the TID that all partners should continue to think about the future and creative ways to further develop partnerships; TID hotels have made a commitment of room inventory for the booking strategy. Matt Stewart will schedule a 1:1 meeting with each hotel to discuss further. Dan Fenton indicated that JLL will work with hotels to schedule a time to meet with hotel sales managers to provide an overview of the booking strategy.

9. Update on the Implementation of Clean and Safe Certification through the American Hotel & Lodging Association (AHLA).

The Marriott, Hyatt, Biltmore, Element, and Embassy Suites have completed the certification process and have submitted for confirmation. The Avatar's ownership group as approved to move forward with the process and the Hilton is pending ownership approval. Follow up needs to be conducted with the other two hotels to make sure they are aware.

10. Santa Clara Convention Center Updates and Review of Convention Center Calendar of Events.

Kelly Carr provided Santa Clara Convention Center Updates:

- Glass Pyramids – This project has reached substantial completion. They are currently waiting on replacement glass. A water test will be conducted upon full completion of the project.
- Design Services for Floor/Paint/Kitchens – HOK was selected as the design firm and Spectra the contract is being executed. Spectra will be issuing a Notice to Proceed

letter and work can start next week. The goal is to complete this project by then of the third quarter.

- Digital Signage – There is a small delay as the selected contractor is not able to conduct a live walk-thru due to current travel restrictions. The walk-thru needs to be completed prior to the contractor submitting its Best and Final Offer (BAFO).
- Security Cameras – Kelly is currently reviewing the bids.
- Convention Center Calendar – Considering the current COVID restrictions, Spectra is looking at the real possibility of not reopening to events until July 2021. They will focus on moving events scheduled through March before they start contacting April clients.
- Sales and Marketing – There are regular biweekly sales meetings and both Levy and Spectra have prospecting goals of 500 each for P3, P4, and P5 events.

General Updates

- The Hilton hotel remains closed and there is no date for re-opening at this time.
- The Avatar hotel has been closed since November 7 and will most likely be closed for a full year for renovations.
- The Related project continues to move forward and there is no timeline yet for the groundbreaking. It is hopeful that groundbreaking can take place by the end of next year and is dependent on Related financing.
- Ryan Turner is the new General Manager for the Element and has been in the hotel industry for over 20 years.

Adjournment

The meeting adjourned at 9:19 a.m. The next regular scheduled meeting is on January 21, 2020 at 8:00 a.m.