



Agenda Report

18-410

Agenda Date: 5/22/2018

REPORT TO COUNCIL

SUBJECT

Santa Clara Convention Center and Convention-Visitors Bureau (SCCC-CVB) 3rd Quarter Financial Status Report

BACKGROUND

The SCCC-CVB Financial Status Report for Third Quarter Ended March 31, 2018 provides current information on the business activities of the Santa Clara Convention Center and Convention-Visitors Bureau.

DISCUSSION

Submitted for City Council review and acceptance is the SCCC-CVB Financial Status Report for Third Quarter Ended March 31, 2018, as submitted by the Santa Clara Chamber of Commerce and Convention-Visitors Bureau. Submission of the report is required under the management agreement for the operation of the Santa Clara Convention Center and the agreement for convention and visitor services. This report is unaudited and therefore, subject to change.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

Year-end positive net operating results could be a revenue source to the General Fund, while net operating losses may be subsidized by the General Fund. The third quarter year-to-date 2017-18 financial results of the Santa Clara Convention Center operations show a net profit of \$808,299, compared to a net profit of \$947,848 for third quarter YTD 2016-17.

The financial status of the Convention Center operation as captured in the attached quarterly report is one of several aspects of the City's overall financial obligation related to the Convention Center. In addition to the general management and day-to-day operation of the Convention Center as captured in the quarterly report, in FY 2017-18 the City has budgeted funds for the Convention Center's current Capital Improvement Program (CIP) in the amount of \$304,000; an annual contribution of \$1,461,601 for the Convention-Visitors Bureau (CVB); a contribution of \$669,941 into Maintenance District 183 (an agreement between the Convention Center, TechMart, and Hyatt for maintenance of shared spaces); and funds of \$145,291 for an annual management fee. The budgeted General Fund subsidy for the Convention Center overall is \$2,317,825 for FY 2017-18. Based on the final net operating results and capital expenditures for the remainder of the fiscal year, the actual General Fund subsidy for FY 2017-18 is expected to change.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the Santa Clara Convention Center and Convention-Visitors Bureau Financial Status Report for Third Quarter Ended March 31, 2018, as submitted by the Santa Clara Chamber of Commerce and Convention-Visitors Bureau.

Reviewed by: Angela Kraetsch, Director of Finance

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. SCCC-CVB Activity Report for Fiscal Year 2017-18 Third Quarter