



## Agenda Report

21-1456

Agenda Date: 12/7/2021

### REPORT TO COUNCIL

#### SUBJECT

Action on the Santa Clara Convention Center FY 2021/22 1<sup>st</sup> Quarter Financial Status Report

#### COUNCIL PILLARS

Promote and Enhance Economic, Housing and Transportation Development  
Enhance Community Engagement and Transparency  
Promote Sustainability and Environmental Protection

#### BACKGROUND

On February 5, 2019, the City approved an agreement with Global Spectrum L.P. dba Spectra Venue Management (Spectra) to operate the Santa Clara Convention Center (SCCC). Spectra began management of the SCCC on March 18, 2019.

Staff is transmitting Spectra's SCCC status report to Council for compliance with agreement terms.

#### DISCUSSION

This report transmits for Council information, the Santa Clara Convention Center Financial Status Report for the 1<sup>st</sup> quarter ending September 30, 2021, as submitted by Spectra. This report is unaudited and, therefore, subject to change.

As Spectra's 1<sup>st</sup> quarter report indicates, there were no events hosted by the Santa Clara Convention Center. With continued Covid-19 restrictions on large indoor gatherings and events and ongoing capital improvements, the convention center was not open for meetings or events until the 2<sup>nd</sup> quarter.

Both Spectra and Levy continued to review expenditures in an effort to mitigate financial losses to the City. In preparation of reopening in the 2<sup>nd</sup> quarter, Spectra began to phase in employees. A total of eight individuals (two part-time and six full-time) returned to work in the 1<sup>st</sup> quarter.

As discussed in the Quarterly Report, budget to actual financial results are as follows:

#### Financial Summary – 1<sup>st</sup> Quarter ended September 30, 2021

	Projected in Budget	Actual	Difference
Gross Revenue	\$15,288	\$16,739	\$1,451
Total Expense	1,173,767	527,925	645,842
Net Income	(\$1,158,479)	(\$511,186)	\$647,293

Total expenses for the quarter were \$527,925. There was \$16,739 of gross revenue generated from services provided for the vaccination clinic hosted in the previous quarter and other miscellaneous

revenue.

**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**

The net operating loss incurred by the Convention Center for the 1<sup>st</sup> quarter of FY 2021/22 is \$511,186. This amount does not include any fiscal impact related to TOT, TID, and/or sales tax activity.

**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).

**RECOMMENDATION**

Note and file the Santa Clara Convention Center Financial Status Report for the 1<sup>st</sup> Quarter ending September 30, 2021, as submitted by Spectra.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. SCCC Activity Report for First Quarter FY 2021/22