



## Agenda Report

22-1331

Agenda Date: 12/6/2022

### REPORT TO COUNCIL

#### SUBJECT

Action on the Santa Clara Convention Center FY 2022/23 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. In November 2021, Spectra merged with Oak View Group (OVG) but continues to operate under the same legal entity.

Staff is transmitting OVG's, formerly known as Spectra, SCCC status report to Council for compliance with agreement terms.

#### DISCUSSION

This report transmits for Council information, the SCCC Financial Status Report for the 1<sup>st</sup> quarter ending September 30, 2022, as submitted by OVG. This report is unaudited and, therefore, subject to change.

As OVG's 1<sup>st</sup> quarter report indicates, there were 51 events hosted at the SCCC. There were 12 events in July 2022, 16 events in August 2022, and 23 events in September 2022.

Historically, the 1<sup>st</sup> quarter Convention Center activity is slow. However, due to rescheduling cancelations or postponements of events, the 1<sup>st</sup> quarter results were better than anticipated. Based on event needs, OVG staffing levels varied from 21 to 25 throughout the 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, 2022

	Projected in Budget	Actual	Budgeted Overage (Underage)
Gross Revenue	\$2,122,598	\$2,757,861	\$635,263
Total Expense	\$2,829,062	\$2,405,344	(\$423,718)
Net Income	(\$706,464)	\$352,517	\$1,058,981

For the 1<sup>st</sup> quarter ending September 30, 2022, OVG reported a net operating gain of \$352,517. Total revenues were \$2,757,861, or \$635,263 more than the budgeted revenues of \$2,122,598. Total expenses for the quarter were \$2,405,344, or \$423,718 less than the budgeted amount of \$2,829,062. Additionally, OVG recognized \$193,178 of other revenues in the 1<sup>st</sup> quarter primarily from cancelation fees.

### **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 gain incurred by the Convention Center for the 1<sup>st</sup> quarter of FY 2022/23 is \$352,517. 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) or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Note and file the Santa Clara Convention Center Financial Status Report for the 1<sup>st</sup> Quarter ending September 30, 2022, as submitted by OVG.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Rajeev Batra, City Manager

### **ATTACHMENTS**

1. SCCC Activity Report for First Quarter FY 2022/23