# Santa Clara Tourism Improvement District

# FY 2022/23 Annual Report

THINK BIG. LOOK FORWARD.

August 10, 2023

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## LETTER FROM THE CEO

On behalf of the team, it is with pleasure that I present you with the Discover Santa Clara® (the "DMO") Annual Report for FY 2022/23. While the past year has brought some challenges due to the unprecedented impact of the Covid-19 pandemic, subsequent slow rebound, and staff turnover/open positions, there are also many achievements to celebrate.

In October 2022, the DMO welcomed me as the new CEO where to date, my focus has been dedicated to cultivating a formidable team and establishing foundational processes to ensure success moving-forward. Key positions have been filled, including Director of Sales, Director of Marketing, and Sales Manager, to allocate critical resources and develop strategies that support the achievement of the DMO's designated Key Performance Indicators (KPIs).

While we faced several obstacles, such as the delayed timeline in assembling our team and the challenges brought on by tech layoffs, the threat of a recession, and intense market competition, our progress in identifying potential larger conventions for Santa Clara is commendable. However, these circumstances restricted our ability to execute many of the tactics outlined in the FY 2022/23 strategic plan.

Nonetheless, we have experienced notable accomplishments in the past calendar year. Our team successfully secured one P2 event, scheduled to take place in November 2023. Additionally, we hosted a high-profile client for a site inspection in June 2023, as Santa Clara is being considered for a multi-year P1 event from 2025 to 2030. While we have yet to secure a P1 piece of citywide business, we have had interest and the opportunity to be part of the bidding process in partnership with the Santa Clara Convention Center (the "SCCC"). These preliminary wins demonstrate the teams' capabilities, and they remain proactive in prospecting for new citywide business, establishing relationships, and generating interest in Santa Clara. These efforts will undoubtedly yield future business opportunities, despite the complexities of the current landscape.

In the upcoming fiscal year, we anticipate continued growth and are committed to re-introducing Santa Clara as a premier destination through direct sales and marketing efforts. To support our goals, we will be expanding our team by adding an additional Sales Manager, Marketing Manager, and Manager of Sales Systems & Strategy. Together, with a robust business plan focused on gaining exposure and cultivating strong partnerships with influential meeting and event planners, we will continue to propel the DMO forward.

Christine Lawson
CEO

## FISCAL YEAR 2022/23 ACCOMPLISHMENTS

### Convention Sales, Incentives and Services

The Convention Sales, Incentives, and Services category has been instrumental in building a successful foundation for growth. Dedicated efforts and strategic investments in this area have yielded significant accomplishments, with the intention of driving visitation to the assessed lodging businesses, our partners, and the City.

- Hired a Convention Sales Manager in September 2022 to focus on Citywide (P1 and P2) conventions/events.
- Welcomed new Director of Sales, Luz Chatman, on June 26, 2023 to develop a strategic deployment and sales plan to drive exposure, increase leads, and close larger pieces of citywide business.
- The Board approved the addition of a Manager, Sales Systems and Strategy position in the FY 2023/24 budget. This new role will oversee the management of the DMO's Simpleview Customer Relationship Management (CRM) system, and contribute data insights to our strategic sales efforts, enhancing efficiency and effectiveness.
- Reformed our operations by introducing a cadence of meetings to include:
    - Daily business review meetings, uniting the DMO, Convention Center, and Levy sales teams. Through detailed evaluation of every lead, we ensure optimal revenue generation for all stakeholders and assessed lodging businesses.
    - Continued and facilitated twice-monthly sales meetings to support collaboration across the DMO, Convention Center and Levy Sales Teams. Through these collaborative efforts, we have harnessed collective expertise to drive overnight visitation to assessed lodging businesses.
    - Implemented bi-weekly DMO team meetings and weekly one-on-one meetings with individual team members.
- Revamped and successfully implemented an advanced P1/P2 site inspection process, significantly elevating our ability to present the city of Santa Clara and our esteemed partners in a compelling manner. By providing a rich and immersive experience during site visits, we have strengthened our position as an attractive destination for group, meeting, and leisure customers.
- Collaborated with the Convention Center, Levy, and the SCTID Hotels to assess and revise the existing Booking Policy to meet current market dynamics, maintain a competitive edge, explore mutually beneficial strategies for better representation of the City, and to drive business. A new Booking Policy was approved by the Board and implemented in April of 2023.
- Implemented bi-monthly meetings with the SCTID Hotel Directors of Sales to discuss needs and strategies, and to communicate current DMO activities.
- Crafted a FY 2023/24 DMO Tradeshow/Sales Trip Calendar and Planning Checklist to gain both vital exposure and to reacquaint the marketplace with Santa Clara and all that the city and our partners have to offer for groups/meetings and leisure travel.

- Initiated a Request for Proposal (RFP) process to design and build a compelling tradeshow booth that will impress attendees and capture the spirit of Santa Clara to drive exposure, leads, and new business.
- Joined San Francisco Travel, providing the DMO with additional sales and marketing opportunities such as listing our Convention Center in their venue and supplier search tool, opportunities to participate in SF Travel-led tradeshows and meetings, and media familiarization excursions (FAMs), to name a few. The DMO will continue to explore opportunities to leverage this partnership.
- CEO attended high-profile industry events including the Visit California Forum, and California Travel's Spring Board Meeting which provided excellent insight on current efforts, campaigns, and participation opportunities for DMOs in addition to networking opportunities, and exposure for the DMO.
- Crafted necessary standard operating procedures for more effective communications and operations among the DMO, the Convention Center, Levy, and our SCTID Hotel partners.
- Partnered with San Francisco Travel and Team San Jose to develop a compelling bid to host Super Bowl 60 for 2026. The Bay Area was named the official host and the Super Bowl will be held at Levi's® Stadium.

**Marketing & Communications**

The Marketing and Communications program has played a pivotal role in regaining exposure for the DMO. Over the past Fiscal Year, strategic investments and creative campaigns have effectively highlighted the unique offerings and attractions that Santa Clara has to offer.

- Hired a Director of Marketing, Katelyn Studebaker, who started on May 3, 2023 to develop and execute a diverse and durable marketing plan.
- Received Board approval to add a Marketing Manager for FY 2023/24 to begin in mid-July 2023.
- Promotional materials were prepared in partnership with our Marketing Agency partner, *We The Creative,* to create a foundation of tools for sales and to establish a cadence of social media posts to drive exposure, and business. Specific items created were:
    - **Master Sales Pitch Deck:** A customizable deck of information about the DMO's brand and the benefits of booking with Santa Clara that can be used at tradeshows, direct client interaction and can be sent as a follow-up to customers in a PDF format.
    - **Social Media Posts:** Contracted and developed a social media campaign of eight (8) diverse monthly posts highlighting the space at the SCCC, our innovative food experience, our partners, and the City to drive demand for overnight visitation to assessed lodging businesses and our partners.

    - These posts were brought to life through imagery and our branded taglines including #discoversantaclara #santaclara #conventioncenter #ThinkBigLookForward #MakeItYours #trailblazers #events #innovation @legendaryevents.
    - **Email Templates:** Two email templates were created with the intent of emailing our database of approximately 5,000 customers to acquaint them with our new brand and how we are differentiating ourselves through unique events and experiences, collaboration, and culinary excellence. Responses to these emails will provide the sales team with the opportunity to reconnect and requalify clients. Campaigns will begin in Q1 of FY 2023/24.
    - **RFP Template:** Developed a branded template outlining our unique approach to events. This will be used to send to clients who have requested a proposal and ensure consistency in brand messaging across team members.
- Implemented monthly marketing calls with *We The Creative* to include the DMO, Convention Center and Levy leadership to manage projects and discuss future strategy.
- Identified and implemented Email Marketing Platform, Act-On, to enable the DMO to effectively execute, automate and retarget clients with on-going targeted Email campaigns.
- Launched the first DMO email in May 2023 through Act-On to our database of 5,000 meeting/event planners, announcing Levi's® Stadium as the hosting location of Super Bowl 60.
- Initiated Google Ad campaign in March 2023 that is on-going, targeting meeting planners, weddings, and groups/events based upon our customer personas. Responses will allow us to identify commonalities across the groups which will enhance future ad strategy to drive overnight visitation to assessed lodging businesses.
- Created a Discover Santa Clara® website landing page to support our marketing efforts by directing clients responding to our campaigns and seeking additional information. This will allow us to track content reviewed, RFPs submitted and requests to speak to our sales department.
- In June 2023, the Director of Marketing developed a new Social Media Content strategy to be executed in concert with *We The Creative*. The goal is to target social media channels with relevant content for specific customer segments. Specifically:
    - LinkedIn will be used to reach meeting and event planners.
    - Facebook and Instagram will be focused on creating valuable Santa Clara content that motivates followers to save and share with the target audience of Leisure travel, Staycationer's and Day Trippers. Social media content categories will center around Santa Clara events, local restaurant spotlights, SCTID Hotel spotlights, Santa Clara news and User Generated Content.
- In June 2023, the DMO began utilizing social media Reels to feature on Facebook and Instagram providing an excellent opportunity to show our personality, spread brand awareness and connect with our audience through authentic content while growing our follower base.

- Conducted two Instagram growth initiative campaigns with local and diverse influencers to grow followers with a focus on the content being "liked, followed and shared."
    - **Growth initiative #1:** Partnered with a high-profile local influencer **"sanjosefoos"** on a contest promoting two complimentary Beyonce concert tickets for her August 2023 show at Levi's® Stadium. Grew followers by 3,170 (25%) in a 24-hour period for the minimal cost of only $2,934.00.
    - **Growth initiative #2:** Partnered with influencer **"Ninersnationbn"** to promote a contest to win two complimentary 49'ers tickets for opening day. Grew followers by 1,000 at a cost of $1,333.00.
- Initiated the creation of a Social Media Influencer Catalog to include pricing for local influencers available for hire to create inspirational content to promote Santa Clara and increase the DMO's base of followers.
- Made calibrations to the existing Discover Santa Clara® website specific to:
    - Increased functionality by replacing 'buzz words.' Existing website is now easier to navigate.
    - Upgraded authenticity by replacing stock images with real Santa Clara images.
    - Updated homepage widgets to be more intuitive (Meet, Play, Plan, Stay).
- Director of Marketing conducted a collateral review with representatives from the DMO, OVG, Levy and the City to make refinements to current tools and identify additional needs.
- Refreshed photography for the DMO marketing brochure, better showcasing what the destination and our partners have to offer to each of our target audiences. Initiated updating floor plans for both the DMO and the SCCC to include:
    - Welcome to Santa Clara 3D Map providing a sense of place for SCCC's proximity to hotels, Levi's® Stadium, Great America, nearby parking lots and surrounding points of interest.
    - More detailed overview of the SCCC space, levels, and offerings.
    - Detailed capacity charts.
- Initiated search for photographers to shoot both updated catering photos for Levy and SCCC spaces to have professional photos for sales and marketing efforts. Photoshoots will take place in Q1 FY 2023/24.

**Administration and Operations**

The following initiatives taken in FY 2022/23 not only reinforced the commitment to effective administration and operations for the DMO, but will ultimately benefit our partners, positioning them for increased visibility, collaboration, and success in the market.

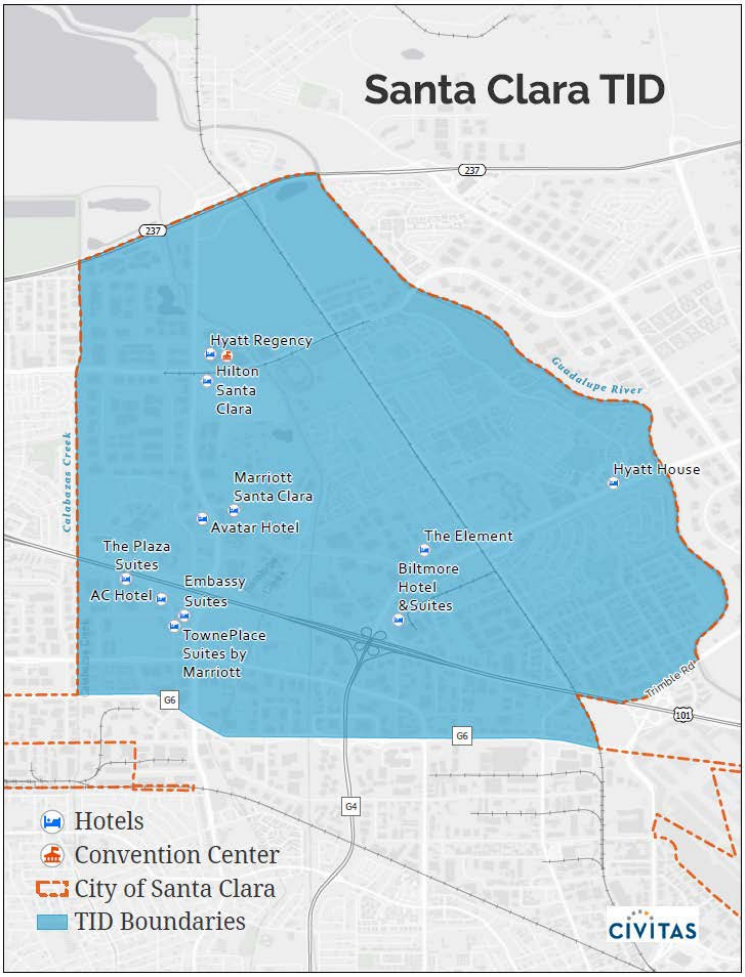
- CEO and Administrative Services Manager went through a strong orientation immersion process including:
    - Meetings with the City, Jones Lang LaSalle (JLL), and the SCCC teams providing support for the DMO CEO and team's onboarding including weekly meetings with Kelly Carr, GM of the SCCC, and Dan Fenton of JLL.
    - Conducted CEO introductory meetings with the DMO Board Members and the SCTID Hotel General Managers and Directors of Sales to understand business needs and develop rapport.
    - Fostered strategic collaborations by organizing CEO meetings with key vendor partners, further strengthening the support system for assessed lodging businesses.
    - Continued the onboarding process through regular meetings with City representatives Ruth Shikada and Nancy Thome to facilitate seamless integration and maximize operational efficiency.
- CEO engaged with DMO accounting firm, ArightCo, to sharpen current reporting stack and processes.
- Formalized a partnership with Krisch & Company to facilitate the creation of Financial Standard Operating Processes (SOPs) for the DMO slated to be presented for the Board's approval in Q1 of FY 2023/24 with the ultimate objective of the DMO securing custody of the budget and SCTID Assessment Funds.
- In June, the CEO met with Mayor Gillmor to discuss the vision for Santa Clara, share DMO accomplishments to date, and strategies in-flight.
- Alerted the current accounting firm, ArightCo, that we will be transitioning to a new accounting firm, Krisch & Company in the upcoming FY 2023/24 to better serve the evolving needs of the DMO.
- Commenced working with CPS HR Consulting to design the DMO's annual review format and process for implementation in Q1 of FY 2023/24.
- Partnered with ADP to initiate discussions and take the necessary steps to launch a DMO 401k program in July 2023.
- Worked with JLL to create a DMO Workplan for completion prior to the conclusion of the JLL contract with the City on December 31, 2023. The current focus is on crafting incentive plans for eligible positions on the team, Sales Managers, Director of Sales, Director of Marketing and CEO. The goal is to have plan drafts completed for presentation to the Board prior to the end of Q1 of FY 2023/24.
- Completed the FY 2023/24 budget process which was presented to the Board of Directors and approved on April 7, 2023. This comprehensive financial plan ensures the allocation of resources is aligned with our strategic objectives, benefiting our assessed lodging businesses, and driving their success in the coming year.
- CEO recognized by *Smart Meetings* as one of their ***"2023 Smart Women in Meetings"*** Award Winners. This prestigious honor provides excellent exposure for the DMO, highlighting our leadership and expertise in the industry.

## BOUNDARY

The Santa Clara Tourism Improvement District (the "SCTID") will include all lodging businesses with ten (10) rooms or more, existing and in the future, available for public occupancy within the boundaries of a portion of the city of Santa Clara. The boundary, as shown in the map below, currently includes eleven (11) lodging businesses, listed in the Appendix. There are no proposed changes to the boundaries of the SCTID. One (1) lodging business is currently undergoing renovation and will be under new management.

One SCTID Hotel partner changed ownership:

- The Avatar Hotel is anticipated to re-open as a Tapestry Collection by Hilton property in September 2023: 4200 Great America Pkwy, Santa Clara, CA 95054



## IMPROVEMENTS AND ACTIVITIES

The improvements and activities to be provided for FY 2023/24 are consistent with the Management District Plan (the "Plan") with no proposed changes. The focus will be on the execution of high-impact sales and marketing efforts to gain exposure, lead generation, and bookings for the City and our partners now that we have the majority of our team members in place. Aligned with the activities and improvements outlined in the Plan, noted below are highlights and areas of focus anticipated for FY 2023/24.

### Convention Sales, Incentives and Services

- **Development of Sales Organization Model.**
  With the arrival of the Director of Sales in late June, a priority will be to develop a Sales organizational structure that sets the DMO up for success. This structure will include deploying the sales team towards targeted market segments (e.g., technology, banking, sports, etc.) so that the team is both interacting and qualifying key business influencers to drive awareness and business for the City and our partners.

- **Enhancement of Sales Enablement and Operations Process.**
  With the addition of the Manager, Sales Systems & Strategy budgeted to start on September 1, 2023, we have the opportunity to both evolve and create new processes specific to day-to-day sales operations, forecasting, business intelligence, and tracking sales performance metrics. These critical processes will enable the team to be more effective in time management, focusing on the right customers for the City and our partners while properly tracking all business activity in the CRM to support future tactics and strategic approach.

- **Attendance to Key/High-Profile Tradeshows and Targeted Sales Trips.**
  Due to the turnover of staff and the delayed onboarding of the current DMO team, a considerable number of planned activities related to direct sales, in the form of tradeshows, business trips and customer activities, did not occur during FY 2022/23 as intended. However, with our newly added staff and continued focus on recruiting an additional Sales Manager, the DMO is entering the new fiscal year with a more robust team. By strengthening our team and resuming our planned sales activities, we are taking the initiative towards fulfilling our mission of driving visitation to assessed lodging businesses, the City, and our partners. Moreover, these efforts will allow us to forge valuable connections, and promote our destination in a compelling way.

- **Client Familiarization Trip and Events.**
  Efforts will be focused on inviting key meeting/event planners to Santa Clara as a means of providing vital information and first-hand experience on what the City and our partners have to offer. This and other targeted events will allow us to highlight our offerings and build/deepen important relationships for future business.

- **Creation of Target Account List.**
  The DMO team will be developing multiple target client lists based upon business segments and influence. These lists are crucial to afford us the ability for focused and efficient resource allocation, enabling the sales and marketing teams to prioritize efforts and allocate time and energy towards prospects with the highest potential for conversion. This targeted approach will serve to maximize productivity and increases the likelihood of achieving our KPIs.

- **Active Involvement in Industry/Community Events.**
  The DMO team is committed to expanding their reach and fostering meaningful connections within the industry. With a proactive approach, the team will actively engage in high-profile industry and professional networking events, seizing every opportunity to highlight the destination's offerings. By participating in these events, the team aims to gain exposure, and establish a strong presence in the market (e.g., MPI, SVBTA, etc.).

**Marketing & Communications**

- **Website Redesign.**
  The objective is to redesign the current DMO website to provide a richer and more diverse experience for our group, meeting, and leisure customers. This revamp aims to generate increased demand for overnight visitation to assessed lodging businesses, and overall economic impact for the City. Providing varied audience content will support investments on the sales and marketing side to drive traffic to the site, and keep people engaged while on the site with the goal of meeting planners being more inclined to complete an RFP.

  Additionally, it is critical that we enhance the site to support the DMO's goal of marketing the destination with updated events and reasons to come/stay at assessed lodging businesses in Santa Clara.

- **Branding Meeting.**
  While the DMO has created a brand, the goal of the branding session is to answer the question "Why Santa Clara?" There is a need to have greater and more compelling content to be used to create stories that resonate with our target customer segments to create an emotional connection, increase exposure, leads and overall economic impact to the City. The goal is to have completed this meeting before the end of Q1 of FY 2023/24.

- **Photoshoots.**
  The DMO has allocated a portion of the budget to invest in photography to build and expand its content library. Currently, the DMO primarily uses stock photography that does not accurately portray the destination or our valued partners.

Websites, social media, Google Ads, and other sales materials can all benefit from the use of rich imagery. The use of captivating visuals will help create an authentic and compelling representation of our destination, effectively captivating the attention and interest of potential visitors.

Additionally, the DMO's Director of Marketing has scheduled and will manage photoshoots for both the Convention Center and Levy with monies from these respective budgets to bolster our portfolio of sales and marketing assets.

- **Videography.**
  For numerous marketing purposes, including the website, it is imperative that the DMO invest in video production. With the popularity of video for marketing, the DMO will be investing in video production to drive exposure, leads and bookings. The goal of the DMO is to have a comprehensive highlight reel that highlights the destination and offerings. These videos will be further segmented into smaller clips intended for usage with specific target audiences/ customer segments.

  By incorporating captivating and informative videos, the goal is to effectively engage our audience, evoke interest, and inspire visitors to choose our destination for their next travel experience, driving demand for the City and our partners.

- **Focus on Influencer Marketing.**
  The DMO has budgeted funds to collaborate with "influencers" who are widely regarded as experts in their field or as having significant social influence. This will help us connect with the influencers audience and raise the DMOs exposure and followers through diverse audiences, thus increasing followers and demand.

- **Customer Database Growth Strategies.**
  In today's digital landscape, where social media platforms and email marketing have become vital pillars of business success, implementing effective customer database growth strategies is crucial specifically for popular platforms like Instagram, LinkedIn, Facebook, Email subscribers, and web views, with the aid of Google Analytics. The DMO's marketing team will focus on harnessing the potential of these platforms and utilizing data-driven insights so that we can unlock new avenues for growth, enhance customer engagement, and boost exposure, leads, and business.

- **Development of Content Strategy.**
  There will be a strong focus on developing a potent content strategy for key channels such as our website, social media platforms, and email marketing. A well-crafted strategy will ensure consistent and engaging content, leading to a strong brand identity and increased audience engagement. Moreover, delivering personalized and relevant messages to specific customer segments will help to drive better conversion rates and customer retention.

Some areas of concentration will be on developing blogs and whitepapers for the DMO website, and advanced creation of custom content calendars for both social media platforms and Email marketing.

- **Strategic Advertising.**
  In addition to the Google Ads that began running in March 2023, the DMO will expand digital advertising in the new fiscal year. This will include PPC advertising on multiple platforms that allow targeting by job title, such as LinkedIn and Meta. There are many creative ways to hyper target Meta (Facebook/Instagram) ads, including geotargeting conferences that the DMO attends. LinkedIn advertising will include setting up automated direct messages to individuals with Event Planner and Executive Admin titles. The DMO will begin retargeting people who began an RFP but did not complete it. Retargeting is a high priority initiative. To date, 6.6k RFPs were started, and only twenty-one were submitted. Purchasing website display ads on reputable websites such as CNN, ESPN, Better Homes and Gardens, Huffington Post, The Weather Channel and Yahoo will also be researched.

- **Participation in Visit California Marketing Campaigns.**
  Visit California is a non-profit organization that is focused on developing, executing, and maintaining marketing programs to further develop tourism in California. Visit California has a wide reach and provides DMOs the opportunity to participate in marketing programs allowing for diversification of sales and marketing exposure and exploiting their follower base in both domestic and international markets.

## Administration and Operations

- **Creation of DMO Financial SOPs.**
  The DMO is actively developing Financial Standard Operating Procedures (SOPs) in collaboration with Krisch and Company and City representation. These SOPs aim to establish fiscally responsible processes within the organization and ultimately secure custody of the SCTID Assessment Funds. The DMO seeks to create essential policies that will promote sound financial management and ensure the efficient allocation of resources.

- **Development of Annual Review Process.**
  The DMO partnership with CPS HR Consulting to collaborate on developing an innovative Annual Review format and process. Our primary objective is to ensure that leadership within our organization is equipped to deliver valuable feedback on performance, identify areas of success, and pinpoint opportunities for growth.

  Through this strategic collaboration, we aim to create an effective framework that fosters professional development and enhances the overall productivity and success of our team. The goal is to have an approved process by the end of Q1 of FY 2023/24.

- **Construction of Goal Setting Process and Incentive Plans.**
  The DMO is partnering with JLL to develop competitive incentive plans. The goal is to foster a supportive and motivating culture that rewards individuals based on the achievement of their personal KPIs. Additionally, the intent is to encourage team collaboration to achieve collective DMO goals.

## Contingency

The budget shall continue to include a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may continue to be held in a reserve fund or utilized for other program, administration, or renewal costs at the discretion of the DMO Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the DMO Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the DMO Board. The reserve fund may be used for the costs of renewing the SCTID.

## City Administration Fee

The City of Santa Clara shall continue to be paid a fee equal to 2% of the amount of assessment collected to cover its costs of collection and administration which may include but are not limited to staffing costs, legal services, and operational costs for rent, telephone, supplies, postage, and other general office expenses.

## FY 2022/23 FINANCIALS

Compared to the forecasted amount of $1.17 million, the SCTID assessment for FY 2022/23 is estimated to actualize at approximately $2.5 million. With the continued impact of Covid-19 and the prospect of a recession on individual travel, meetings, and events at the beginning of the fiscal year, it was difficult to predict this unanticipated revenue growth of $1.3 million (72.5%) in assessment revenue.

As of June 30, 2023, the DMO expended 67% of the Operating Budget leaving a balance of $550,507. As previously referenced, the delay in assembling the team greatly inhibited our ability to execute many of the budgeted activities for the DMO. As we enter FY 2023/24 with new key discipline leaders in sales and marketing the team looks forward to reacquainting the market and key customers with the City, our partners, and offerings.

| Income | Budget | Actuals |
|---|---|---|
| **SCTID Assessment** | $1,174,623 | $2,500,000 |
| **Other Revenue** | $66,000 | $69,571 |

| FY 2022/23 Expenditures | Budget | Actuals | Balance |
|---|---|---|---|
| **CONVENTION SALES, INCENTIVES & SERVICES** | $607,274 | $199,245 | $408,029 |
| **MARKETING & COMMUNICATIONS** | $203,048 | $121,529 | $81,520 |
| **ADMINSTRATION** | $822,592 | $770,014 | $52,579 |
| **CONTINGENCY** | $35,239 | $0 | $35,239 |
| **CITY ADMINISTRATION FEE** | $23,429 | $50,288 | ($26,859) |
| **TOTALS** | **$1,691,583** | **$1,141,076** | **$550,507** |

An additional Reserve Fund was created in FY 2021/22 to be used for any large-scale unexpected expenses or emergencies only upon Board of Directors approval. There were no expenses to the Reserve Fund.

| FY 2022/23 Expenditures | Budget | Actuals | Balance |
|---|---|---|---|
| **RESERVE FUND** | $678,001 | $0 | $678,001 |

The detailed FY 2022/23 Financial Report is included as Appendix A.

## KEY PERFORMANCE INDICATORS (KPIs)

The established KPIs are the core metrics that drive success and serve as the compass for the DMO. Our KPIs are strategically established to ensure the realization of targeted objectives, with the primary focus on securing a specified number of P1 and P2 events that translate into substantial revenue, hotel room occupancy, and overall economic impact for the Convention Center, the SCTID Hotels and the City.

With the current economic and competitive landscape, and lack of a full team, the DMO did not achieve the established KPIs for FY 2022/23, however did secure one P2 event that will actualize in FY 2023/24. With the continued building of the DMO team, there is confidence that FY 2023/24 KPIs will be achieved.

| **Silicon Valley/Santa Clara DMO Inc.** | | | |
|---|---|---|---|
| **Performance Measures** | | | |
| | **2022/23 Target** | **2022/23 Actuals** | **2023/24 Target** |
| 1. Event Mix (Consumed) | | | |
| Percent of P1 Events | 1% | 0% | 0.5% |
| Number of P1 Events | 3 | 0 | 1 |
| Percent of P2 Events | 2% | 0% | 1.0% |
| Number of P2 Events | 6 | 0 | 2 |
| 2. Number of Definite Events Booked (Booked in the year for future years) | | | |
| Number of P1 Events | 5 | 0 | 2 |
| Number of P2 Events | 11 | 1 | 4 |
| 3. Convention Center Gross Revenue (P1 & P2) | $2,580,000 | $0 | $800,000 |
| 4. Number of Room Nights Booked (For future years) | 16,438 | 750 | 4,506 |
| 5. Number of Room Nights Consumed | 9,375 | 0 | 2,253 |
| 6. Number of Weeks Impacted (Consumed) | 9 | 4 | 2 |
| 7. Customer Service Survey Results (Overall satisfaction) | 85% | 0% | 85% |
| 8. Number of Prospects (active) (Non-cumulative P1 & P2) | 300 | 53 | 140 |
| 9. Economic Impact (Consumed P1 and P2 events) | $6,031,943 | $0 | $2,745,582 |

### KPI Summary

1. **Event Mix**. This KPI focuses on the target mix of convention/meeting types (P1's– P5's) that will deliver the best financial and economic results for the City. Additionally, the goal is to focus on the type and quality of events as opposed to strictly focusing on the quantity of events. While the quality of event mix overall at the Convention Center improved, there were no consumed P1s and P2 during this fiscal year.

2. **Definite Events Booked**. A "definite" event is a future event confirmed with a signed executed Convention Center contract and at least one SCTID lodging business. While the DMO team did not meet the target of nine citywide events to be consumed in FY 2022/23 or the booking goal of 16 events to be booked in the fiscal year for future years, one P2 event was contracted in FY 2022/23 for November 2023.

3. **Convention Center Gross Revenue**. The Convention Center's Gross Revenue came in higher than expected at $16,791,629. However, there were no consumed P1 or P2 events for the DMO. There were staffing challenges with the DMO only having one dedicated sales manager.

4. **Room Nights Booked.** Achieving the goals for occupied hotel rooms in the past fiscal year was a collaborative effort with OVG, Levy and the DMO. While the goal of booking P1 and P2 events resulting in 16,438 in booked guestrooms was not achieved, the DMO did contract one P2 event with 750 guestrooms.

5. **Room Nights Consumed**. Achieving the goals for rooms that have been occupied in the past fiscal year is a collaborative effort with OVG, Levy and the DMO. The team has made great strides in securing business for the Convention Center that drives overnight stays into SCTID hotels while generating significant revenue. The groups that are characterized as larger (P1 and P2) are a focus of the DMO. There were not any consumed room nights for P1s and P2s this year.

6. **Number of Weeks Impacted**. This KPI reports the number of weeks throughout the year where a P1/P2 event or a combination of events positively impacted Santa Clara's economy and was above the 700 peak room nights threshold per day for two or more days. In FY 2022/23, there were 4-weeks impacted to a goal of 9-weeks based upon overlapping P3-P5 events.

7. **Customer Service Survey Results.** The newly developed and completed customer service platform has provided valuable insight in assessing successes and opportunities in the service areas. Because there were not any P1 or P2 events, there was no score for the DMO. The team will continue to leverage this tool to further understand the customer experience and increase satisfaction.

8. **Prospects.** While measures were being taken to assist with prospecting efforts, due to the staffing challenges in the year there was not a significant increase in the number for P1 and P2 prospects. However, there has been significant sales activity from the DMO side, with 264 leads being researched and 53 active prospects in the pipeline.

9. **Economic Impact**. The total economic impact of Convention Center events in the fiscal year was $57,879,937. However, there was not any economic impact for consumed P1 or P2 events for the DMO.

## COST

In preparing the FY 2023/24 Adopted Operating Budget, it is important to address the challenges the DMO has encountered since its inception. The unprecedented impact of the Covid-19 pandemic and subsequent slow rebound have continued to test our resilience. Additionally, we have faced the unavoidable reality of staffing turnover, further amplifying the hurdles we have had to overcome. In navigating these obstacles, our steadfast commitment has been to monitor expenses diligently and to ensure a maximum return on investment for all budgeted expenditures. As we delve into the upcoming fiscal year, our approach remains unwavering. However, we must also acknowledge the need to revitalize the DMO with an aggressive sales and marketing plan, one that propels the organization forward and secures critical customer and market exposure for the City and our partners.

The allocation of budgeted funds within the Adopted FY 2023/24 Operating Budget has been crafted to seize every opportunity to effectively raise awareness of Santa Clara in the Meetings and Convention industry. We have designed an aggressive direct sales and marketing plan strategically tailored to enhance Santa Clara's stature and recognition among key decision makers.

In addition to increased resources and personnel, there will be a continued emphasis to improve the DMO's administrative functionality, including consistency in operations, ongoing effectiveness in financial reporting, policy/financial SOP development and Human Resources administration.

The full FY 2023/24 Adopted Operating Budget is included as Appendix B

| BUDGETED COST BY PROGRAM | FY 2023/24 Adopted | % of Budget |
|---|---|---|
| CONVENTION SALES, INCENTIVES & SERVICES | $1,188,331 | 38.9% |
| MARKETING & COMMUNICATIONS | $818,578 | 26.8% |
| ADMINSTRATION | $935,821 | 30.7% |
| CONTINGENCY | $66,000 | 2.2% |
| CITY ADMINISTRATION FEE | $44,000 | 1.4% |
| TOTAL OPERATING BUDGET | $3,052,730 | 100% |

### FY 2023/24 Projections

The cost of providing improvements and activities for FY 2023/24 is consistent with the Plan. The total budget has increased as a result of adding team members to execute specific tactics and improved business conditions. The total Operating Budget for FY 2023/24 is $3,052,730 which includes the estimated SCTID collections for the fiscal year of $2,200,000, $786,730 in carry-over funds, and $66,000 in other revenue. The categorical breakdown is below. All budget category allocations of estimated SCTID revenue for FY 2023/24 are within the authorized twenty percent (20%) adjustment of the SCTID revenue allocations from the prior year.

| Category | % of Budget | FY 2023/24 Assessment Estimate | % Change from previous year | Other Revenue | FY 2022/23 Carryover | FY 2023/24 Operating Budget |
|---|---|---|---|---|---|---|
| **CONVENTION SALES, INCENTIVES & SERVICES** | 40% | $880,000 | **0%** | $0 | $328,331 | $1,208,331 |
| **MARKETING & COMMUNICATIONS** | 20% | $440,000 | **3%** | $66,000 | $202,578 | $708,578 |
| **ADMINSTRATION** | 35% | $770,000 | **-3%** | $0 | $255,821 | $1,025,821 |
| **CONTINGENCY** | 3% | $66,000 | **0%** | $0 | $0 | $66,000 |
| **CITY ADMINISTRATION FEE** | 2% | $44,000 | **0%** | $0 | $0 | $44,000 |
| **TOTALS** | **100%** | **$2,200,000** | | **$66,000** | **$786,730** | **$3,052,730** |

**ASSESSMENT**

The assessment rate for the initial year FY 2021/22, was one and one-half percent (1.5%) on gross short-term (30 days or less) room rentals (10 rooms or more). In compliance with the Plan, the DMO's Board of Directors approved an increase of one-half percent (0.50%) for FY 2022/23 increasing the annual assessment rate to the maximum of two percent (2.0%) on gross short-term room rentals. Based on the benefit received, assessments will not be collected on stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following; a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee's full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and listing the employee's name and stating that the stay is for official government business. The dates of occupancy must also be included.

The term "gross room rental revenue" as used herein means: the consideration received, whether or not actually charged by the lodging business, for the occupancy of space in a lodging business valued in money, whether said gross room rental revenue is received in money, goods, labor, or otherwise, including all receipts, cash, credits, and property and services of any kind or nature. A lodging business may provide complimentary non-assessable rooms for employee use, guest satisfaction or charitable purposes (by a qualified 501(c)(3) charity) and a lodging business shall detail all complimentary non-assessable rooms in its regular reporting. Failure to accurately report complimentary rooms shall result in assessment of the rooms in question. Gross room rental revenue shall not include any federal, state, or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the SCTID assessment is identified separately it shall be disclosed as the "SCTID Assessment." As an alternative, the disclosure may include the amount of the SCTID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the "Tourism Assessment." The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds or any debt obligation shall not be issued.

**Time and Manner for Collecting Assessments**
The City will continue to be responsible for collecting the assessment on a quarterly basis or at the close of any shorter reporting period as established by the Director of Finance (including any delinquencies, penalties, and interest) from each assessed lodging business. The City shall make all reasonable efforts to collect the assessments from each assessed lodging business. The City shall forward the assessments collected to the Owners' Association.

**Penalties and Interest**
The SCTID shall reimburse the City of Santa Clara for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent SCTID assessment are sought to be recovered in the same collection action by the City, the SCTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. **Delinquency Interest**
   Any lodging business that fails to remit any assessment imposed within the time required shall pay interest as described in subparagraph three below.
2. **Penalty for Willful Noncompliance or Repeated Delinquencies**
   If the City determines that the nonpayment of any remittance due is due to willful noncompliance or repeated delinquencies, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the interest as required by subparagraph three below.
3. **Calculation of Interest**
   In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of the United States government T-Bills sold at the latest sale prior to the date of the delinquency plus three percent (3%) prorated per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

4. **Penalties and Interest Merged with Assessment**
   Except for the purpose of calculation of interest and penalties, every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment herein.

## SURPLUS AND OTHER FUNDING

### Surplus / Deficit

The surplus includes SCTID collections that have been carried over from previous years. The total amount of funds to be carried over is estimated at $3,541,406. Of these funds, $328,331 is allocated to Convention Sales, Incentives & Services, $202,578 is allocated to Marketing & Communications, and $255,821 is allocated to Administration for FY 2023/24. Of the remaining funds, $1,221,092 will be placed into a Reserve Fund leaving a balance of $1,533,584 in unallocated funds.

| Category | Carryover |
|---|---|
| **CONVENTION SALES, INCENTIVES & SERVICES** | $328,331 |
| **MARKETING & COMMUNICATIONS** | $202,578 |
| **ADMINSTRATION** | $255,821 |
| **Reserve Fund** | $1,221,092 |
| **Unallocated** | $1,533,584 |
| **TOTAL** | **$3,541,406** |

### Other Funding

The DMO receives $66,000 in marketing support from two sources: OVG and Levy Restaurants. OVG, the company appointed by the City of Santa Clara to oversee the Convention Center, will contribute $36,000, while Levy Restaurants, the contracted food and beverage provider for groups and events at the Convention Center, will contribute $30,000.

## Appendix A – FY 2022/23 Financial Report

| Silicon Valley/Santa Clara DMO, Inc.<br>FY 2022/23 YEAR-TO-DATE (YTD) SUMMARY BY PROGRAM JUNE 2023 | | | | | | |
|---|---|---|---|---|---|---|
| | FY 22/23 Budget | YTD Budget | Actual YTD Exp | Variance | Expended | |
| Budget Item | | | | | | |
| CONVENTION SALES, INCENTIVES & SERVICES | | | | | YTD | Annual |
| **Personnel** | **$ 457,669.00** | **$ 457,669.00** | **$ 120,776.37** | **$ 336,892.63** | **26%** | **26%** |
| Salary | $ 300,000.00 | $ 300,000.00 | $ 105,797.42 | $ 194,202.58 | 35% | 35% |
| 1.0 FTE Director of Sales | $ 112,500.00 | $ 112,500.00 | $ - | $ 112,500.00 | 0% | 0% |
| 1.0 FTE Sales Manager | $ 97,500.00 | $ 97,500.00 | $ 73,442.40 | $ 24,057.60 | 75% | 75% |
| 1.0 FTE Sales Manager | $ 90,000.00 | $ 90,000.00 | $ 32,355.02 | $ 57,644.98 | 36% | 36% |
| Incentives | $ 75,000.00 | $ 75,000.00 | $ - | $ 75,000.00 | 0% | 0% |
| Benefits | $ 33,934.00 | $ 33,934.00 | $ 5,311.88 | $ 28,622.12 | 16% | 16% |
| Health | $ 18,934.00 | $ 18,934.00 | $ 5,311.88 | $ 13,622.12 | 28% | 28% |
| 401K Fee | $ 15,000.00 | $ 15,000.00 | $ - | $ 15,000.00 | 0% | 0% |
| Payroll Taxes | $ 44,415.00 | $ 44,415.00 | $ 9,147.07 | $ 35,267.93 | 21% | 21% |
| Other-Cell Phone Stipend | $ 1,320.00 | $ 1,320.00 | $ 520.00 | $ 800.00 | 39% | 39% |
| Other-relocation | $ 3,000.00 | $ 3,000.00 | $ - | $ 3,000.00 | 0% | 0% |
| **Convention Sales, Incentives & Services Expenses** | **$ 149,605.00** | **$ 149,605.00** | **$ 78,469.06** | **$ 71,135.94** | **52%** | **52%** |
| Operating Supplies | | $ - | $ 223.11 | $ (223.11) | 0% | 0% |
| Memberships | $ 3,015.00 | $ 3,015.00 | $ 2,018.75 | $ 996.25 | 67% | 67% |
| Industry Related Expense | $ - | $ - | $ 270.00 | $ (270.00) | 0% | 0% |
| Professional Convention Management Association (PCMA) | $ 1,000.00 | $ 1,000.00 | $ 444.62 | $ 555.38 | 44% | 44% |
| Meeting Professional International (MPI) | $ 1,665.00 | $ 1,665.00 | $ 134.08 | $ 1,530.92 | 8% | 8% |
| California Society of Association Executives (Cal SAE) | $ 350.00 | $ 350.00 | $ 420.05 | $ (70.05) | 120% | 120% |
| California Travel Association | $ - | $ - | $ 750.00 | $ (750.00) | 0% | 0% |
| Mileage Reimbursement | $ 500.00 | $ - | $ - | $ - | 0% | 0% |
| Subscription Services | $ 32,390.00 | $ 32,390.00 | $ 43,282.96 | $ (10,892.96) | 134% | 134% |
| CVENT | $ 19,202.00 | $ 19,202.00 | $ 26,633.46 | $ (7,431.46) | 139% | 139% |
| Knowland | $ 13,188.00 | $ 13,188.00 | $ 16,649.50 | $ (3,461.50) | 126% | 126% |
| Business Development | $ 50,000.00 | $ 50,000.00 | $ 2,427.08 | $ 47,572.92 | 5% | 5% |
| Conferences and Tradeshows | $ 20,700.00 | $ 20,700.00 | $ 21,536.92 | $ 3,554.77 | 104% | 104% |
| CONNECT Marketplace | $ 4,450.00 | $ 4,450.00 | $ - | $ 4,450.00 | 0% | 0% |
| CONNECT Medical Tech | $ 4,450.00 | $ 4,450.00 | $ - | $ 4,450.00 | 0% | 0% |
| IMEX North America | $ 11,800.00 | $ 11,800.00 | $ 17,145.23 | $ (5,345.23) | 145% | 145% |
| Other Conf & Tradeshows | $ - | $ - | $ 4,391.69 | $ (4,391.69) | 0% | 0% |
| Support Services | $ 36,000.00 | $ 36,000.00 | $ 6,271.40 | $ 36,000.00 | 17% | 17% |
| Virutal Happy Hour | $ 2,000.00 | $ 2,000.00 | $ - | $ 2,000.00 | 0% | 0% |
| Client Activations | $ 4,000.00 | $ 4,000.00 | $ - | $ 4,000.00 | 0% | 0% |
| Personalized Greetings | $ 2,000.00 | $ 2,000.00 | $ - | $ 2,000.00 | 0% | 0% |
| Client Events | $ 28,000.00 | $ 28,000.00 | $ - | $ 28,000.00 | 0% | 0% |
| Site Visits | $ - | $ - | $ 6,271.40 | $ (6,271.40) | 0% | 0% |

| Budget Item | FY 22/23 Budget | YTD Budget | Actual YTD Exp | Variance | Expended | |
|---|---|---|---|---|---|---|
| Travel & Entertainment | $ 7,000.00 | $ 7,500.00 | $ 2,708.84 | $ 4,791.16 | 36% | 39% |
| Destination International Annual Convention | $ - | $ - | $ 49.85 | | | |
| CONNECT Marketplace | $ 2,300.00 | $ 2,300.00 | $ - | $ 2,300.00 | 0% | 0% |
| IMEX North America | $ 1,900.00 | $ 1,900.00 | $ 866.24 | $ 1,033.76 | 46% | 46% |
| CONNECT Medical Tech | $ 2,800.00 | $ 2,800.00 | $ - | $ 2,800.00 | 0% | 0% |
| Other Expense | $ - | $ - | $ 1,737.87 | $ (1,737.87) | 0% | 0% |
| Mileage Reimbursement | $ - | $ 500.00 | $ 54.88 | | | |
| **TOTAL CONVENTION SALES, INCENTIVES & SERVICES** | **$ 607,274.00** | **$ 607,274.00** | **$ 199,245.43** | **$ 408,028.57** | 33% | 33% |
| **MARKETING & COMMUNICATIONS** | | | | | | |
| **Personnel** | **$ -** | **$ -** | **$ 30,429.82** | **$ (30,429.82)** | **0%** | **0%** |
| Salary | | | | | | |
| 1.0 FTE Director of Marketing | $ - | $ - | $ 22,158.99 | $ (22,158.99) | 0% | 0% |
| Incentives | $ - | $ - | $ - | $ - | 0% | 0% |
| Benefits | $ - | $ - | $ - | $ - | 0% | 0% |
| Health | $ - | $ - | $ 2,318.14 | $ (2,318.14) | 0% | 0% |
| 401K Fee | $ - | $ - | $ - | $ - | 0% | 0% |
| Payroll Taxes | $ - | $ - | $ 5,912.69 | $ (5,912.69) | 0% | 0% |
| Other-Cell Phone Stipend | $ - | $ - | $ 40.00 | $ (40.00) | 0% | 0% |
| Other-relocation | $ - | $ - | $ - | $ - | 0% | 0% |
| **Marketing Expenses** | **$ 203,048.00** | **$ 203,048.00** | **$ 91,098.69** | **$ 111,949.31** | **45%** | **45%** |
| Contract Services | $ 124,460.00 | $ 124,460.00 | $ 84,549.74 | $ 39,910.26 | 68% | 68% |
| Marketing Services | $ 110,000.00 | $ 110,000.00 | $ 71,838.89 | $ 38,161.11 | 65% | 65% |
| Website | $ 14,460.00 | $ 14,460.00 | $ 12,710.85 | $ 1,749.15 | 88% | 88% |
| Advertising & Promotions | $ 75,000.00 | $ 75,000.00 | $ 6,093.82 | $ 68,906.18 | 8% | 8% |
| Software Licenses | $ 3,588.00 | $ 3,588.00 | $ 455.13 | $ 81,519.49 | 60% | 13% |
| **TOTAL MARKETING & COMMUNICATIONS** | **$ 203,048.00** | **$ 203,048.00** | **$ 121,528.51** | **$ 81,519.49** | **60%** | **60%** |
| **ADMINISTRATION** | | | | | | |
| **Personnel** | **$ 476,375.00** | **$ 476,375.00** | **$ 305,747.95** | **$ 170,627.05** | **64%** | **64%** |
| Salary | $ 335,000.00 | $ 335,000.00 | $ 264,481.43 | $ 70,518.57 | 79% | 79% |
| 1.0 FTE CEO | $ 210,000.00 | $ 210,000.00 | $ 167,096.72 | $ 42,903.28 | 80% | 80% |
| 1.0 FTE Administrative Assistant | $ 125,000.00 | $ 125,000.00 | $ 97,384.71 | $ 27,615.29 | 78% | 78% |
| Incentives | $ 52,500.00 | $ 52,500.00 | $ - | $ 52,500.00 | 0% | 0% |
| Benefits | $ 36,796.00 | $ 36,796.00 | $ 14,850.78 | $ 21,945.22 | 40% | 40% |
| Health | $ 13,770.00 | $ 13,770.00 | $ 14,850.78 | $ (1,080.78) | 108% | 108% |
| 401K Fee | $ 23,026.00 | $ 23,026.00 | $ - | $ 23,026.00 | 0% | 0% |
| Payroll Taxes | $ 46,119.00 | $ 46,119.00 | $ 21,695.74 | $ 24,423.26 | 47% | 47% |
| Other-Cell Phone Stipend | $ 960.00 | $ 960.00 | $ 720.00 | $ 240.00 | 75% | 75% |
| Other-Car Allowance | $ - | $ - | $ 4,000.00 | $ (4,000.00) | 0% | 0% |
| Other - Relocation | $ 5,000.00 | $ 5,000.00 | $ - | $ 5,000.00 | 0% | 0% |

| | FY 22/23 Budget | YTD Budget | Actual YTD Exp | Variance | Expended | |
|---|---|---|---|---|---|---|
| **Budget Item** | | | | | | |
| **Administrative Expenses** | **$ 346,218.00** | **$ 346,218.00** | **$ 464,265.88** | **$ (118,047.88)** | **134%** | **134%** |
| Contract Services | $ 299,964.00 | $ 299,964.00 | $ 307,176.14 | $ (7,212.14) | 102% | 102% |
| Human Resources | $ 30,000.00 | $ 30,000.00 | $ 5,133.75 | $ 24,866.25 | 17% | 17% |
| Fiscal | $ 30,904.00 | $ 30,904.00 | $ 59,106.60 | $ (28,202.60) | 191% | 191% |
| Legal | $ 24,000.00 | $ 24,000.00 | $ 32,726.50 | $ (8,726.50) | 136% | 136% |
| Payroll | $ 6,000.00 | $ 6,000.00 | $ 1,983.00 | $ 4,017.00 | 33% | 33% |
| Professional Services | $ 135,000.00 | $ 135,000.00 | $ 139,866.87 | $ (4,866.87) | 104% | 104% |
| IT | $ 4,000.00 | $ 4,000.00 | $ 3,120.43 | $ 879.57 | 78% | 78% |
| Audit | $ 10,000.00 | $ 10,000.00 | $ - | $ 10,000.00 | 0% | 0% |
| Staffing Services | $ 60,060.00 | $ 60,060.00 | $ 65,238.99 | $ (5,178.99) | 109% | 109% |
| Operating Supplies | $ 14,777.00 | $ 14,777.00 | $ 42,474.52 | $ (27,697.52) | 287% | 287% |
| Bank Fees | $ 500.00 | $ 500.00 | $ 60.00 | $ 440.00 | 12% | 12% |
| Office supplies | $ 5,000.00 | $ 5,000.00 | $ 18,637.67 | $ (13,637.67) | 373% | 373% |
| Licenses | $ 100.00 | $ 100.00 | $ 71.50 | $ 28.50 | 72% | 72% |
| Software Licenses | $ 3,877.00 | $ 3,877.00 | $ 4,589.66 | $ (712.66) | 118% | 118% |
| Postage | $ 300.00 | $ 300.00 | $ 9.55 | $ 290.45 | 3% | 3% |
| IT (Computers and Hardware) | $ 5,000.00 | $ 5,000.00 | $ 19,106.14 | $ (14,106.14) | 382% | 382% |
| Insurance | $ 11,737.00 | $ 11,737.00 | $ 11,209.67 | $ 527.33 | 96% | 96% |
| Workers Comp | $ 1,852.00 | $ 1,852.00 | $ 1,247.56 | $ 604.44 | 67% | 67% |
| Business Owners Liability & Property | $ 1,800.00 | $ 1,800.00 | $ 1,824.00 | $ (24.00) | 101% | 101% |
| Professional Liability | $ 3,085.00 | $ 3,085.00 | $ 3,089.43 | $ (4.43) | 100% | 100% |
| Management Liability | $ 5,000.00 | $ 5,000.00 | $ 5,048.68 | $ (48.68) | 101% | 101% |
| Memberships | $ 1,600.00 | $ 1,600.00 | $ 4,221.25 | $ (2,621.25) | 264% | 264% |
| Destinations International | $ 1,600.00 | $ 1,600.00 | $ 4,221.25 | $ (2,621.25) | 264% | 264% |
| Mileage Reimbursement | $ 500.00 | $ 500.00 | $ - | $ 500.00 | 0% | 0% |
| Recruitment | $ 500.00 | $ 500.00 | $ 56,601.06 | $ (56,101.06) | 11320% | 11320% |
| Subscription Services | $ 17,140.00 | $ 17,140.00 | $ 42,583.24 | $ (25,443.24) | 248% | 248% |
| Act On | $ - | $ - | $ 20,876.00 | $ (20,876.00) | 0% | 0% |
| CRM System (Simpleview) | $ 9,800.00 | $ 9,800.00 | $ 9,641.65 | $ 158.35 | 98% | 98% |
| CoStar Realty Information | $ - | $ - | $ 2,640.00 | $ (2,640.00) | 0% | 0% |
| Destinations International EIC Subscription | $ 7,340.00 | $ 7,340.00 | $ 9,425.59 | $ (2,085.59) | 128% | 128% |
| **TOTAL ADMINISTRATION** | **$ 822,593.00** | **$ 822,593.00** | **$ 770,013.83** | **$ 52,579.17** | **94%** | **94%** |
| **Contingency** | **$ 35,239.00** | **$ 35,239.00** | **$ -** | **$ 35,239.00** | **0%** | **0%** |
| **City Administration Fee** | **$ 23,429.00** | **$ 23,429.00** | **$ 50,288.49** | **$ (26,859.49)** | **215%** | **215%** |
| **TOTAL OPERATING BUDGET** | **$ 1,691,583.00** | **$ 1,691,583.00** | **$ 1,141,076.26** | **$ 550,506.74** | **67%** | **67%** |

## Appendix B – FY 2023/24 Operating Budget

| Silicon Valley/Santa Clara DMO, Inc.<br>FY 2023/24 Adopted Budget | | | |
|---|---|---|---|
| **Budget Item** | FY 2022/23 Adopted | FY 2023/24 Adopted | FY 2023/24 Variance |
| CONVENTION SALES, INCENTIVES & SERVICES | | | |
| **Personnel** | $ 457,669 | $ 735,056 | $ 277,387 |
| **Salary** | $ 300,000 | $ 480,500 | $ 180,500 |
| 1.0 FTE Director of Sales | $ 112,500 | $ 180,000 | $ 67,500 |
| 1.0 FTE Sales Manager | $ 97,500 | $ 105,000 | $ 7,500 |
| 1.0 FTE Sales Manager | $ 90,000 | $ 120,500 | $ 30,500 |
| 1.0 FTE Manager, Sales Systems & Strategy | $ - | $ 75,000 | $ 75,000 |
| **Incentives** | $ 75,000 | $ 101,375 | $ 26,375 |
| **Benefits** | $ 33,934 | $ 68,540 | $ 34,606 |
| Health & Dental | $ 18,934 | $ 41,124 | $ 22,190 |
| Retirement Plan | $ 15,000 | $ 27,416 | $ 12,416 |
| **Payroll Taxes** | $ 44,415 | $ 79,721 | $ 35,306 |
| **Other-Cell Phone Stipend** | $ 1,320 | $ 1,920 | $ 600 |
| **Other-Relocation** | $ 3,000 | $ 3,000 | $ - |
| **Convention Sales, Incentives & Services Expenses** | $ 149,605 | $ 453,275 | $ 303,670 |
| **Business Development** | $ 50,000 | $ 150,000 | $ 100,000 |
| **Conferences and Tradeshows** | $ 20,700 | $ 47,700 | $ 27,000 |
| Destination International Annual Convention | $ - | $ 1,100 | $ 1,100 |
| CalTravel Summit | $ - | $ 1,100 | $ 1,100 |
| IMEX North America | $ 11,800 | $ 15,000 | $ 3,200 |
| TEAMS Conferences & Expo | $ - | $ 5,000 | $ 5,000 |
| Connect West | $ 4,450 | $ 4,500 | $ 50 |
| Connect DC | $ 4,450 | $ - | $ (4,450) |
| CalSAE Seasonal Spectacular | $ - | $ 600 | $ 600 |
| PCMA Convening Leaders | $ - | $ 2,000 | $ 2,000 |
| Visit Outlook Forum | $ - | $ 1,300 | $ 1,300 |
| Simpleview Annual Summit | $ - | $ 3,200 | $ 3,200 |
| Destinations International - CEO Summit | $ - | $ 1,400 | $ 1,400 |
| Visit California Go West Sales Mission | $ - | $ 3,000 | $ 3,000 |
| Helms Briscoe Conference | $ - | $ 5,500 | $ 5,500 |
| MPI ACE/WEC | $ - | $ 2,000 | $ 2,000 |
| Marketing Conference - Social Media Marketing World | $ - | $ 2,000 | $ 2,000 |
| **Memberships** | $ 3,015 | $ 12,508 | $ 9,493 |
| Cal SAE | $ 350 | $ 751 | $ 401 |
| CalTRAVEL | $ - | $ 1,900 | $ 1,900 |
| San Francisco Travel | $ - | $ 5,250 | $ 5,250 |
| Meeting Professional International (MPI) | $ 1,665 | $ 2,025 | $ 360 |
| Professional Convention Management Association (PCMA | $ 1,000 | $ 2,037 | $ 1,037 |
| Sales & Marketing Excutives International | $ - | $ 345 | $ 345 |
| NATPE Membership | $ - | $ 200 | $ 200 |
| **Subscription Services** | $ 32,390 | $ 33,684 | $ 1,294 |
| CVENT | $ 19,202 | $ 16,836 | $ (2,366) |
| CVENT- License | $ - | $ 3,000 | $ 3,000 |
| Knowland | $ 13,188 | $ 13,848 | $ 660 |
| **Support Services** | $ 36,000 | $ 120,300 | $ 84,300 |
| Site Tours | $ - | $ 15,000 | $ 15,000 |
| Familiarization Trips | $ - | $ 30,000 | $ 30,000 |
| Client Events | $ 28,000 | $ 20,000 | $ (8,000) |

| Silicon Valley/Santa Clara DMO, Inc.<br>FY 2023/24 Adopted Budget | | | |
|---|---|---|---|
| Budget Item | FY 2022/23 Adopted | FY 2023/24 Adopted | FY 2023/24 Variance |
| Virtual Happy Hour | $ 2,000 | $ - | $ (2,000) |
| Client Activations | $ 4,000 | $ 6,000 | $ 2,000 |
| Personalized Greetings | $ 2,000 | $ 2,400 | $ 400 |
| Promotional Items | $ - | $ 20,000 | $ 20,000 |
| Tradeshow Booth Storage | $ - | $ 2,400 | $ 2,400 |
| Tradeshow Shipping, Set-Up + Breakdown | $ - | $ 24,500 | $ 24,500 |
| **Travel & Entertainment** | **$ 7,500** | **$ 89,083** | **$ 81,583** |
| Destination International Annual Convention | $ - | $ 2,254 | $ 2,254 |
| CalTravel Summit | $ - | $ 1,410 | $ 1,410 |
| IMEX North America | $ 1,900 | $ 4,749 | $ 2,849 |
| TEAMS Conference + Expo | $ - | $ 5,620 | $ 5,620 |
| Connect West | $ 2,300 | $ 444 | $ (1,856) |
| Connect DC | $ 2,800 | $ - | $ (2,800) |
| CalSEA Seasonal Spectacular | $ - | $ 1,055 | $ 1,055 |
| PCMA Convening Leaders | $ - | $ 2,142 | $ 2,142 |
| Visit California Outlook Forum | $ - | $ 3,520 | $ 3,520 |
| Simpleview Annual Summit | $ - | $ 4,660 | $ 4,660 |
| Destination International - CEO Summit | $ - | $ 2,331 | $ 2,331 |
| Visit California Go West Sales Mission | $ - | $ 2,380 | $ 2,380 |
| Helms Briscoe | $ - | $ 3,960 | $ 3,960 |
| MPI WEC 2024 | $ - | $ 2,435 | $ 2,435 |
| Social Media Marketing World Conference | $ - | $ 2,365 | $ 2,365 |
| Quarterly Sales Trips | $ - | $ 22,418 | $ 22,418 |
| Client Entertainment | $ - | $ 24,000 | $ 24,000 |
| Mileage Reimbursement | $ 500 | $ 3,340 | $ 2,840 |
| **TOTAL CONVENTION SALES, INCENTIVES & SERVICES** | **$ 607,274** | **$ 1,188,331** | **$ 581,057** |
| **MARKETING & COMMUNICATIONS** | | | |
| **Personnel** | **$ -** | **$ 408,895** | **$ 408,895** |
| **Salary** | **$ -** | **$ 256,294** | **$ 256,294** |
| 1.0 FTE Director of Marketing | $ - | $ 156,294 | $ 156,294 |
| 1.0 FTE Marketing Manager | $ - | $ 100,000 | $ 100,000 |
| **As-Needed/Hourly** | **$ -** | **$ 13,500** | **$ 13,500** |
| **Incentives** | **$ -** | **$ 39,074** | **$ 39,074** |
| **Benefits** | **$ -** | **$ 56,545** | **$ 56,545** |
| Health & Dental | $ 18,934 | $ 33,927 | $ 14,993 |
| Retirement Plan | $ - | $ 22,618 | $ 22,618 |
| **Payroll Taxes** | **$ -** | **$ 42,522** | **$ 42,522** |
| **Other-Cell Phone Stipend** | **$ -** | **$ 960** | **$ 960** |
| **Marketing Expenses** | **$ 203,048** | **$ 409,683** | **$ 206,635** |
| **Advertising & Promotions** | **$ 75,000** | **$ 70,000** | **$ (5,000)** |
| **Contract Services** | **$ 124,460** | **$ 339,683** | **$ 215,223** |
| Marketing Consultant | $ 110,000 | $ 66,000 | $ (44,000) |
| Digital Marketing | $ - | $ 110,000 | $ 110,000 |
| Influencer Marketing | $ - | $ 10,000 | $ 10,000 |
| Email Marketing | $ - | $ 10,000 | $ 10,000 |
| Photography | $ - | $ 20,000 | $ 20,000 |
| Videography | $ - | $ 30,000 | $ 30,000 |
| Branding | $ - | $ 15,000 | $ 15,000 |

| Silicon Valley/Santa Clara DMO, Inc.<br>FY 2023/24 Adopted Budget | | | |
|---|---|---|---|
| Budget Item | FY 2022/23 Adopted | FY 2023/24 Adopted | FY 2023/24 Variance |
| Website Development | $ - | $ 60,500 | $ 60,500 |
| Website Hosting | $ 14,460 | $ 18,183 | $ 3,723 |
| **Software Licenses** | **$ 3,588** | **$ -** | **$ (3,588)** |
| **TOTAL MARKETING & COMMUNICATIONS** | **$ 203,048** | **$ 818,578** | **$ 615,530** |
| ADMINSTRATION | | | |
| **Personnel** | **$ 476,375** | **$ 548,336** | **$ 71,961** |
| **Salary** | **$ 335,000** | **$ 367,328** | **$ 32,328** |
| 1.0 FTE CEO | $ 210,000 | $ 242,828 | $ 32,828 |
| 1.0 FTE Administrative Services Manager | $ 125,000 | $ 124,500 | $ (500) |
| **Incentives** | **$ 52,500** | **$ 60,707** | **$ 8,207** |
| **Benefits** | **$ 36,796** | **$ 52,397** | **$ 15,601** |
| Health & Dental | $ 13,770 | $ 31,438 | $ 17,668 |
| 401k | $ 23,026 | $ 20,959 | $ (2,067) |
| **Payroll Taxes** | **$ 46,119** | **$ 60,944** | **$ 14,825** |
| **Other-Cell Phone Stipend** | **$ 960** | **$ 960** | **$ -** |
| **Other-Car Allowance** | **$ -** | **$ 6,000** | **$ 6,000** |
| **Other-Relocation** | **$ 5,000** | **$ -** | **$ (5,000)** |
| **Administrative Expenses** | **$ 346,218** | **$ 387,485** | **$ 41,267** |
| **Contract Services** | **$ 299,964** | **$ 289,776** | **$ (10,188)** |
| Audit | $ 10,000 | $ 15,000 | $ 5,000 |
| Fiscal | $ 30,904 | $ 65,108 | $ 34,204 |
| Accounting | $ 20,000 | $ 51,060 | $ 31,060 |
| Tax Preparation | $ 2,000 | $ 5,000 | $ 3,000 |
| Fiscal Sponsor | $ 8,904 | $ 9,048 | $ 144 |
| Human Resources | $ 30,000 | $ 20,000 | $ (10,000) |
| IT Services | $ 4,000 | $ 5,574 | $ 1,574 |
| Legal | $ 24,000 | $ 35,000 | $ 11,000 |
| Payroll | $ 6,000 | $ 5,600 | $ (400) |
| Professional Services | $ 135,000 | $ 100,000 | $ (35,000) |
| Temp. Staffing Services | $ 60,060 | $ 31,494 | $ (28,566) |
| Internal Team Strategy Meetings | $ - | $ 12,000 | $ 12,000 |
| **Insurance** | **$ 11,737** | **$ 12,978** | **$ 1,241** |
| Business Owners Liability & Property | $ 1,800 | $ 1,897 | $ 97 |
| Management Liability | $ 5,000 | $ 2,946 | $ (2,054) |
| Professional Cyber Liability | $ 3,085 | $ 3,283 | $ 198 |
| Workers Comp | $ 1,852 | $ 4,852 | $ 3,000 |
| **Memberships** | **$ 1,600** | **$ 3,350** | **$ 1,750** |
| Destinations International | $ 1,600 | $ 3,350 | $ 1,750 |
| **Mileage Reimbursement** | **$ 500** | **$ -** | **$ (500)** |
| **Operating Supplies** | **$ 10,900** | **$ 10,850** | **$ (50)** |
| Bank Fees | $ 500 | $ 250 | $ (250) |
| Computers-Hardware | $ 5,000 | $ - | $ (5,000) |
| Licenses | $ 100 | $ 100 | $ - |
| Office supplies | $ 5,000 | $ 8,000 | $ 3,000 |
| Postage/Mailing/Shipping | $ 300 | $ 2,500 | $ 2,200 |
| **Software Licenses** | **$ 3,877** | **$ 8,124** | **$ 4,247** |
| Quickbooks | $ - | $ 1,302 | $ 1,302 |
| Adobe Acrobat | $ - | $ 2,268 | $ 2,268 |

| Silicon Valley/Santa Clara DMO, Inc.<br>FY 2023/24 Adopted Budget | | | |
|---|---|---|---|
| Budget Item | FY 2022/23 Adopted | FY 2023/24 Adopted | FY 2023/24 Variance |
| Microsoft Office + Email | $ - | $ 3,624 | $ 3,624 |
| Zoom | $ - | $ 930 | $ 930 |
| **Office Rent** | **$ -** | **$ 8,100** | **$ 8,100** |
| **Recruitment** | **$ 500** | **$ 500** | **$ -** |
| **Subscription Services** | **$ 17,140** | **$ 53,807** | **$ 36,667** |
| Simpleview CRM System | $ 9,800 | $ 28,600 | $ 18,800 |
| Annual Subscription | $ 9,800 | $ 13,800 | $ 4,000 |
| ACT-ON | $ - | $ 4,800 | $ 4,800 |
| Additional Support Hours | $ - | $ 10,000 | $ 10,000 |
| Destinations International | $ 7,340 | $ 7,707 | $ 367 |
| CoStar Group (STR Reports) | $ - | $ 15,000 | $ 15,000 |
| Trade Journals/Newspapers | $ - | $ 2,500 | $ 2,500 |
| TOTAL ADMINISTRATION | $ 822,593 | $ 935,821 | $ 113,228 |
| CONTINGENCY | $ 35,239 | $ 66,000 | $ 30,761 |
| CITY ADMINISTRATION FEE | $ 23,429 | $ 44,000 | $ 20,571 |
| TOTAL OPERATING BUDGET | $ 1,691,583 | $ 3,052,730 | $ 1,361,147 |

## Appendix C – Assessed Businesses

| SCTID Hotel Partner Name | Address | City, State ZIP |
|---|---|---|
| AC Hotel | 2970 Lakeside Dr | Santa Clara, CA 95054 |
| Avatar Hotel<br>(Reopening as a Tapestry Collection by Hilton property in September 2023 | 4200 Great America Pkwy | Santa Clara, CA 95054 |
| Delta Hotel by Marriott | 2151 Laurelwood Rd | Santa Clara, CA 95054 |
| Embassy Suites | 2885 Lakeside Dr | Santa Clara, CA 95054 |
| Hilton Santa Clara | 4949 Great America Pkwy | Santa Clara, CA 95054 |
| Hyatt House | 3915 Rivermark Plaza | Santa Clara, CA 95054 |
| Hyatt Regency | 5101 Great America Pkwy | Santa Clara, CA 95054 |
| Marriott Santa Clara | 2700 Mission College Blvd | Santa Clara, CA 95054 |
| The Element | 1950 Wyatt Dr | Santa Clara, CA 95054 |
| Hyatt Centric Santa Clara | 3100 Lakeside Dr | Santa Clara, CA 95054 |
| TownePlace Suites by Marriott | 2877 Lakeside Dr | Santa Clara, CA 95054 |