



SANTA CLARA TOURISM IMPROVEMENT DISTRICT
REGULAR MEETING AGENDA

August 23, 2022

10:00 AM

Virtual Meeting

Pursuant to the provisions of the California Governor’s Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of COVID-19, Discover Santa Clara™ has implemented methods for the public to participate remotely.

The public can participate remotely via Zoom: <https://us06web.zoom.us/j/82245400028>. Meeting ID: 822 4540 0028 or by phone: 1 (669) 900-6833.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

For public comment on items not on the Agenda that is within the subject matter jurisdiction of the SCTID.

CONSENT AGENDA

Matters listed in the Consent Agenda section will be considered routine by the SCTID and will be enacted by one motion. There will be no separate discussion of the items on the Consent Calendar unless discussion is requested by a member of the SCTID, staff or public. If discussion is requested, that item will be removed from the section entitled Consent Agenda and will be considered under Consent Items Pulled for Discussion.

1. Action on the Minutes of:

- Santa Clara Tourism Improvement District – March 22, 2022
- Santa Clara Tourism Improvement District – April 26, 2022
- Santa Clara Tourism Improvement District – May 24, 2022
- Santa Clara Tourism Improvement District – June 28, 2022

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

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GENERAL BUSINESS – ITEMS FOR DISCUSSION

- 2. Review of Discover Santa Clara™’s Monthly Progress Report for June 2022.**
- 3. Review of Discover Santa Clara™’s FY 2021/22 Preliminary Year-End Financial Report.**

4. Review of Discover Santa Clara™'s FY 2021/22 Key Performance Indicators Year-End Report and Revisions to the FY 2022/23 Key Performance Indicator Goals – Prospects.
5. Review of the Proposed Agreement to Administer the Santa Clara Tourism Improvement District Between the City of Santa Clara, California, and Silicon Valley/Santa Clara DMO, Inc. for a Term Retroactive to July 1, 2022 and Ending June 30, 2026.

GENERAL ANNOUNCEMENTS

ADJOURNMENT

The next regular scheduled meeting is on September 27, 2022 at 10:00 a.m.

Brown Act:

Government Code 54950 et seq (the Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Eron Hodges at eron.hodges@hyatt.com to the meeting.

Notice to Public:

The public is welcomed and encouraged to participate in this meeting. Public comment (3 minutes maximum per person) on items listed on the agenda will be heard at the meeting as noted on the agenda. Public comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of agenda items is listed for reference and may be taken in any order deemed appropriate by the SCTID. The agenda provides a general description and staff recommendation; however, the SCTID may take action other than what is recommended.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the SCTID will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The SCTID will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in SCTID programs, services, and activities. The SCTID will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the SCTID in an appropriate alternative format. Contact DSCAdmin@discoversantaclara.org with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the SCTID should contact Eron Hodges at eron.hodges@hyatt.com as soon as possible before the scheduled event.

ATTACHMENTS

March 22, 2022

10:00 A.M.

Virtual Meeting

Pursuant to the provisions of the California Governor’s Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of COVID-19, the Santa Clara Tourism Improvement District (SCTID) has implemented methods for the public to participate remotely.

*The public can participate remotely via Zoom: <https://zoom.us/j/94286454233>
Meeting ID: 942 8645 4233 or by phone: 1 (669) 900-6833.*

CALL TO ORDER

Chair Hodges called the meeting to order at 10:01 a.m.

ROLL CALL

Present: 6 Justin Hart, AC Hotel Santa Clara
Peter Hart, Embassy Suites
Eron Hodges, Hyatt Regency Santa Clara
Margie Johnston, Hilton Santa Clara
Sean Steenson, Delta Silicon Valley
Christopher Sullivan, Marriott Santa Clara

Absent: 5 Miriam Arreola, Avatar Hotel
Bridgette Burns, TownePlace Suites by Marriott
Kevin Dominguez, Element Santa Clara
Kevin Hurley, Hyatt House
Brent Larkin, Hyatt Centric Santa Clara Silicon Valley

In Attendance

Ruth Mizobe Shikada, City of Santa Clara
Nancy Thome, City of Santa Clara
Dan Fenton, JLL
Juliet Velazquez, JLL

PUBLIC COMMENT

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CONSENT AGENDA

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1. Action on the Minutes of:

- Santa Clara Tourism Improvement District – February 22, 2022

A motion was made by Chris Sullivan, seconded by Peter Hart to approve the Consent Calendar. Motion passed unanimously 6-0.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

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GENERAL BUSINESS – ITEMS FOR DISCUSSION

2. Discussion on the potential increase of the Santa Clara Tourism Improvement District Assessment to 2% for FY 2022/23.

Chair Hodges reported that the current assessment is 1.5% and moving to 2% will get the TID to about \$15 on every \$100 hotel room rate which is at the middle of the pack of the comparable cities; Santa Clara will be just below LA and Sacramento. Chair Hodges added that the DMO looked at the impact to move up 0.5% and the financial impact is relatively small. Dan Fenton added that the graph comparison shows the out-the-door total which is what the planner usually asks for.

Chris Sullivan indicated that it is not showing the long-term stays and TOT on rooms for 30 days or more. He added that they are not competitive to receive airline contract stays because Santa Clara does not have a policy that allows for ‘discount’ of TOT for airline related stays. Chair Hodges indicated this was a different topic that can be reviewed and evaluation on a future agenda.

Chair Hodges clarified that historically when the TID was at a fixed \$1 per occupied room night assessment, since 2005, they only collected about \$700,00 annually and the City was subsidizing the difference. There has been an uptick as business continues to come back. Additionally, the recommendation was made to the DMO to go to 2% to catch up on the balance of funds. Moving to 2% will not be a material impact and the 0.5% increase will help to build funds to keep up with competitors.

Ruth Mizobe Shikada shared that last year, the City had a ballot measure where the voters approved to move the base TOT percentage up to 4%. Council proceeded with 2% and could raise an additional 2% but are not considering at this time. In November, there will be the option to renew the business tax structure for additional revenue.

Peter Hart indicated that it seemed to be the time to make the increase and have funds to support the effort to put back into marketing the destination.

Chair Hodges indicated that the DMO has been conservative with the budget but eventually will want to increase spend and resources for the destination. Chair Hodges shared they should move forward with the increase.

3. Review of Discover Santa Clara™'s Monthly Progress Report for February 2022.

Dan Fenton reported there are a couple of P1s and P2s prospects and they continue to work daily with the sales teams and their activity and how they can best be supported. Dan referenced slide 5 where they added research activity to demonstrate there is activity prior to it becoming a prospect. The DMO has also invested into additional resources and now have access to Knowland. Additionally, they will be upgrading their relationship with CVENT. Dan added that going back 5-10 years, there were no P1s on the calendar, and this effort is about uncovering new business. At the next meeting, JLL will have the marketing plan to share and would love to get feedback.

Chair Hodges shared that starting next week, they will have weekly meetings to review detailed weekly activity reports to increase accountability and support to sales team.

GENERAL ANNOUNCEMENTS

Chair Hodges announced that Margie Johnston is joining the group. Margie is the current acting general manager for the Hilton and that she has supported the Hilton before, prior to Joe Eustice. Margie added that she was at the Hilton in 2018 for two months and her company helps with staffing needs.

Peter Hart announced that he is transferring with Hilton back to San Francisco. It is his last week in Santa Clara and there will be an interim manager assigned. Peter added that he has been in Santa Clara for four years and the TID has come a long way in the effort, and he has enjoyed his time working with the City and the Dan.

ADJOURNMENT

The meeting adjourned at 10:28 a.m. The next regular scheduled meeting is on April 26, 2022 at 10:00 a.m.



SANTA CLARA TOURISM IMPROVEMENT DISTRICT
REGULAR MEETING MINUTES

APRIL 26, 2022

10:00 A.M.

Virtual Meeting

Pursuant to the provisions of the California Governor’s Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of COVID-19, the Santa Clara Tourism Improvement District (SCTID) has implemented methods for the public to participate remotely.

The public can participate remotely via Zoom: <https://us06web.zoom.us/j/83788310365>. Meeting ID: 837 8831 0365 or by phone: 1 (669) 900-6833.

CALL TO ORDER

Eron Hodges called the meeting to order at 10:03 a.m.

ROLL CALL

Present: 5 Justin Hart, AC Hotel Santa Clara
Eron Hodges, Hyatt Regency Santa Clara
Margie Johnston, Hilton Santa Clara
Sean Steenson, Delta Silicon Valley
Christopher Sullivan, Marriott Santa Clara

Absent: 6 Miriam Arreola, Avatar Hotel
Bridgette Burns, TownePlace Suites by Marriott
Kevin Dominguez, Element Santa Clara
Nicole Hausner, Embassy Suites
Kevin Hurley, Hyatt House
Brent Larkin, Hyatt Centric Santa Clara Silicon Valley

In Attendance

Ruth Mizobe Shikada, City of Santa Clara (joined meeting at 10:22 a.m.)
Nancy Thome, City of Santa Clara
Dan Fenton, JLL

PUBLIC COMMENT

For public comment on items not on the Agenda that is within the subject matter jurisdiction of the SCTID.

CONSENT AGENDA

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1. Action on the Minutes of:

- Santa Clara Tourism Improvement District – March 22, 2022

There was no quorum.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

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GENERAL BUSINESS – ITEMS FOR DISCUSSION

2. Review of Discover Santa Clara™'s Proposed FY 2022/23 Operating Budget.

Eron Hodges reported that the DMO Board has reviewed and approved the Proposed FY 2022/23 Operating Budget. Nancy Thome provided an overview of the Proposed FY 2022/23 Operating Budget:

- The estimated FY 2021/22 fund balance is approx. \$1.7 million.
- Per the DMO agreement with the City, the DMO must allocate six months of the most recently approved budget which is \$678,001. This was not done for the current fiscal year.
- The projected revenue for FY 2022/23 is \$1.24 million. With the allocation to reserves and the FY 2021/22 fund balance, there would be \$2.27 million available in the fund.
- The updated proposed budget is \$1.7 million and includes fully loaded CEO and administrative services manager positions, increase in salary ranges for the DOS (starting October 2022) and sales manager positions.

Chris Sullivan asked if there was the ability to onboard the DOS position sooner. Eron Hodges indicated that they need to provide the CEO the opportunity to onboard and select the DOS. Nancy Thome added that the Proposed Budget is tentatively scheduled for the City Council's June 7th meeting and encouraged hotels to attend to provide public comments.

3. Review of Discover Santa Clara™'s Monthly Progress Report for March 2022.

Dan Fenton report that they continue to add prospects with all event types. There were five new P1 and P2 prospects and four proposals were sent out for tentative P1s and P2s. There was added research activity and in March there were 128 that the sales managers identified as meeting P1 and P2 criteria. The addition of the Knowland database as a tool has shown to be beneficial. Dan added that they are still significantly below in terms of the level of active prospects and are working on conversions to tentatives.

4. Follow-up Discussion on the FIFA 2026 Room Allotment Request and FIFA Hotel Agreement.

Eron Hodges stated that he hoped that most were on the call with the FIFA representative and wanted to follow-up on the call to action for hotel room allotments. Eron indicated that everyone should have submitted their room allotments to FIFA by now. Margie Johnson, Justin Hart, and Sean Steenson indicated they all needed to re-confirm. Eron added that the due date was April 23rd, and the announcement of host cities is a moving target. The preliminary announcement is tentatively planned for mid-May.

5. Discussion on Resuming In-Person Public Meetings.

Eron Hodges announced that it was time to consider resuming in-person meetings. Nancy Thome indicated that she will be reaching out to hotels for availability to host already scheduled meetings. Nancy added there is a posting requirement at their location when they host to meet the requirements of the Brown Act.

GENERAL ANNOUNCEMENTS

It was announced that Brent Larkin has moved on from the Hyatt Centric. There will be a new acting general manager announced.

ADJOURNMENT

The meeting adjourned at 10:37 a.m. The next regular scheduled meeting is on May 24, 2022 at 10:00 a.m.



SANTA CLARA TOURISM IMPROVEMENT DISTRICT
REGULAR MEETING MINUTES
Hilton Santa Clara
4949 Great America Parkway, Santa Clara 95054

MAY 24, 2022

10:00 A.M.

CALL TO ORDER

Eron Hodges called the meeting to order at 10:02 a.m.

ROLL CALL

Present: 3 Eron Hodges, Hyatt Regency Santa Clara
Margie Johnston, Hilton Santa Clara
Sean Steenson, Delta Silicon Valley

Absent: 8 Miriam Arreola, Avatar Hotel
Bridgette Burns, TownePlace Suites by Marriott
Kevin Dominguez, Element Santa Clara
Justin Hart, AC Hotel Santa Clara
Nicole Hausner, Embassy Suites
Kevin Hurley, Hyatt House
Paul Medawar, Hyatt Centric Santa Clara Silicon Valley
Christopher Sullivan, Marriott Santa Clara

In Attendance

Nancy Thome, City of Santa Clara
Dan Fenton, JLL

PUBLIC COMMENT

For public comment on items not on the Agenda that is within the subject matter jurisdiction of the SCTID.

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1. Action on the Minutes of:

- Santa Clara Tourism Improvement District – March 22, 2022
- Santa Clara Tourism Improvement District – April 26, 2022

There was no quorum.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

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GENERAL BUSINESS – ITEMS FOR DISCUSSION

2. Santa Clara Tourism Improvement District Assessment Revenue Update.

Nancy Thome reported out on the TID assessment revenues for the first three quarters. Approximately \$185k was collected in Q1, \$260k in Q2 and \$232k in Q3. The year-to-date total is just over \$676k which exceeds the initial estimate of \$610k. The year-end total is projected at about \$800k.

3. Review of Discover Santa Clara™'s Monthly Progress Report for April 2022.

Dan Fenton provided an overview of April progress:

- Five prospects were added in April.
- They are in the mode of researching to uncover P1s and P2s (groups that would be new to Santa Clara).
- It has been about a month now since they started using Knowland and CVENT and they are looking for more potential P1s and P2s.
- On the P3 side, there has been an increase; they just secured an event with Google and Intel.
- 52 new groups were added under research status.
- They are currently down one sales manager.
- For P1s and P2s, there is no reactive selling, it is all proactive.

4. Follow-up Discussion on the FIFA 2026 Room Allotment Request and FIFA Hotel Agreements.

Eron Hodges expressed thanks to those who submitted hotel allotments. As a TID, they produced approximately 11,000 room night as a commitment in conjunction to San José and San Francisco which was submitted to FIFA. They are only of a few that submitted that information. Last week, FIFA announced that an official media release will be made on June 16 identifying the locations selected in North America. Eron added that that FIFA needs to be looked as a multiple Superbowl since it is an international event with Mexico and Canada.

5. Update on Related Santa Clara Project.

Eron Hodges reported they received a Related Santa Clara update at the last DMO Board meeting. The permit plans are in with the City for Phase 1 across the street from the

Stadium. If all goes well, they should be breaking ground at the end of the summer. To the north, the City has a land mass. There will be future plans, possibly utilized as public park space. They are moving a tremendous amount of earth which will be stockpiled for use in Phase 2 construction.

GENERAL ANNOUNCEMENTS

ADJOURNMENT

The meeting adjourned at 10:21 a.m. The next regular scheduled meeting is on June 21, 2022 at 10:00 a.m.



SANTA CLARA TOURISM IMPROVEMENT DISTRICT
REGULAR MEETING MINUTES

June 28, 2022

10:00 A.M.

Virtual Meeting

Pursuant to the provisions of the California Governor’s Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of COVID-19, Discover Santa Clara™ has implemented methods for the public to participate remotely.

*The public can participate remotely via Zoom: <https://us06web.zoom.us/j/81534503255>
Meeting ID: 815 3450 3255 or by phone: 1 (669) 900-6833.*

CALL TO ORDER

Eron Hodges called the meeting to order at 10:02 a.m.

ROLL CALL

Present: 5 Justin Hart, AC Hotel Santa Clara
Eron Hodges, Hyatt Regency Santa Clara
Margie Johnston, Hilton Santa Clara
Sean Steenson, Delta Silicon Valley
Christopher Sullivan, Marriott Santa Clara

Absent: 6 Miriam Arreola, Avatar Hotel
Bridgette Burns, TownePlace Suites by Marriott
Kevin Dominguez, Element Santa Clara
Nicole Hausner, Embassy Suites
Kevin Hurley, Hyatt House
Paul Medawar, Hyatt Centric Santa Clara Silicon Valley

A quorum was not met.

In Attendance

Nancy Thome, City of Santa Clara
Ruth Mizobe Shikada, City of Santa Clara
Dan Fenton, JLL

PUBLIC COMMENT

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1. Action on the Minutes of:

- Santa Clara Tourism Improvement District – March 22, 2022
- Santa Clara Tourism Improvement District – April 26, 2022
- Santa Clara Tourism Improvement District – May 24, 2022

There was no quorum.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

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GENERAL BUSINESS – ITEMS FOR DISCUSSION

2. Accounting Transition and Budget Update.

Nancy Thome reported that the DMO is transitioning to a new accounting firm. The year-end report will be brought to the Board in July and will also be provided to the TID next month.

3. Update on the Santa Clara Tourism Improvement District Assessment.

Eron Hodges indicated that the hotels should have all received a letter from Nancy/the City acknowledging the TID assessment increase to 2% from 1.5% effective July 1, 2022. This increase was part of a City Council approval of 1.5% in year 1 and 2% in year 2; the TID assessment is capped at 2%.

Dan Fenton added that there were a few Council members that had questions and he wanted to publicly thank Ruth and Nancy for all the behind-the-scenes work to answer those questions.

4. Review of Discover Santa Clara™'s Monthly Progress Report for May 2022.

Dan Fenton reported that there is a P1 that was sourced through Knowland and that the DMO was short-listed. The DMO also booked its first P1 in 2023 with Airbnb. There are more than 1,000 room nights on peak, and it delivers the level of Convention Center revenues that qualifies as a P1. Dan pointed out the data on page 16 which shows the significant level of activity it takes to get to a P1. There are two new P1/P2 prospects and

significant activity with P3 events. On page 17, a new table was inserted to show the KPIs to remind the group of the focus areas.

Dan Fenton added that the Business Development Funds were used, and the process was expedited to close P3 business.

GENERAL ANNOUNCEMENTS

Eron Hodges share news reports of the sale of land at Great America yesterday to Prologis. The park will remain at minimum through 2024 and there is no definite plan on what will replace the park.

ADJOURNMENT

The meeting adjourned at 10:20 a.m. The next regular scheduled meeting is on July 26, 2022 at 10:00 a.m.



Santa Clara Convention Center Monthly Sales Progress Report

June 2022

Updated: 07-11-22



Executive Summary

- P1 Definite Contracted → AirBNB Employee Summit
- The SCCC team has reached the recommended level of prospects to maintain consistent sales activity to build the pipeline for P3-P5 events
- Exceeded Tentative goals for tentative leads for P1-P5
- Recruitment on-going for DMO Sales Manager

Monthly Totals by Event Type

	P 1 - P 2	P 3 - P 5
Current Active Prospects	43	539
June	P 1 - P 2	P 3 - P 5
New Prospects	5	59
New Tentatives	2	37
New Definites	1	31



Silicon Valley/Santa Clara DMO Inc.			
Performance Measures			
	2021/22 Target	June	NOTES
1. Event Mix (Consumed)			
Percent of P1 Events	1%	0%	
Number of P1 Events	1	0	
Percent of P2 Events	2%	0%	
Number of P2 Events	2	0	
2. Number of Definite Events Booked (booked in the year for future years)			
Number of P1 Events	3	1	
Number of P2 Events	6	0	
3. Convention Center Gross Revenue (P1& P2)	\$876,000	\$0	
4. Number of Room Nights Booked (for future years)	9,375	2,100	
5. Number of Room Nights Consumed	3,125	0	
6. Number of Weeks Impacted (Consumed)	3	-	Reported at year-end
7. Customer Service Survey Results (overall satisfaction)	85%	-	Reported at year-end
8. Number of Prospects (active) (non-cumulative P1 & P2)	770	43	FY 2021/22 goal was based on full year staffing of two sales manager and DOS
9. Economic Impact (Consumed P1 and P2 events)	\$2,010,649	\$0	

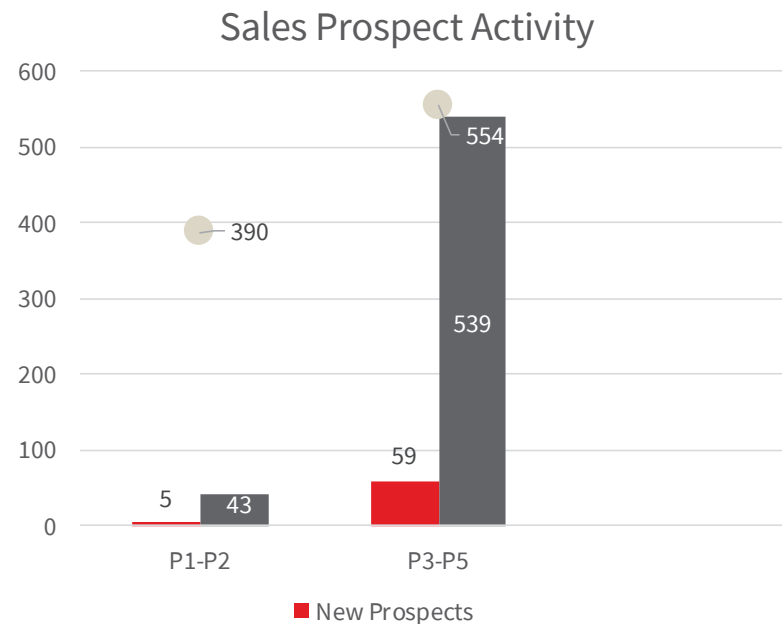
Michael Baker	2021/22 Target	June	NOTES
Prospecting Goal - Number of new prospects	180	20	
Actual	17	5	

Prospect Conversion Rate	1.17%	0%	
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SCCC Sales Prospects

The sales teams across all partners added **64** new prospects for the SCCC in the month of June, with an additional 52 being researched.

- Research Activity
 - Total: 322
 - New Added for the month: 52
- There is a goal to maintain a certain level of sales activity.
 - P1-P2 = **390 (current staffing levels)**
770 (proposed staffing levels)
 - **P3-P5 = 554**
- New prospects added represent:
 - 24,488 room nights and 61,700 attendees
 - \$5,507,578 in Overall Projected Building Spend
- Economic Impact: To be added

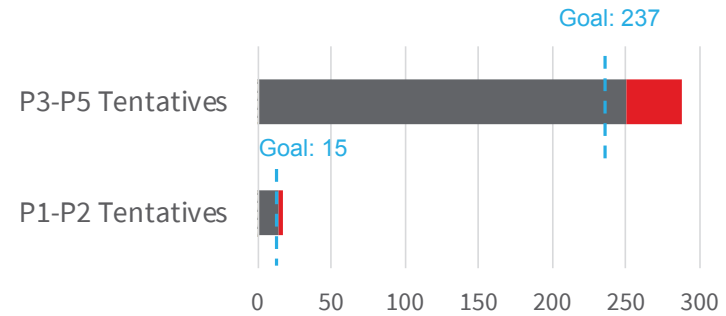


SCCC Sales Tentative Events

The sales teams across all partners added **39** new tentative events for the SCCC in the month of June.

- There is a goal to achieve **252** tentatives annually
- The SCCC & DMO teams have exceeded their annual tentative goals
- The conversion rate from prospect to tentative YTD is **52%**
- Economic Impact: To be added

Total Tentatives Funnel



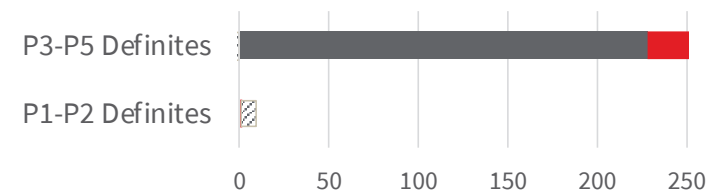
	P1-P2 Tentatives	P3-P5 Tentatives
■ FY Total	15	251
■ New Added for the Month	2	37
⊠ Remaining to Goal	-2	-51

SCCC Sales Definite Events

The sales teams across all partners added **32** new definite events for the SCCC in the month of June for future dates.

- The SCCC teams FY definite booking goal is **224**
 - Spectra's goal is 30
 - Levy's goal is 194
- The DMO FY definite booking goal is **9**
- The conversion rate from tentative to definite YTD is **10%**
- Economic Impact: To be added

Total Definites Funnel



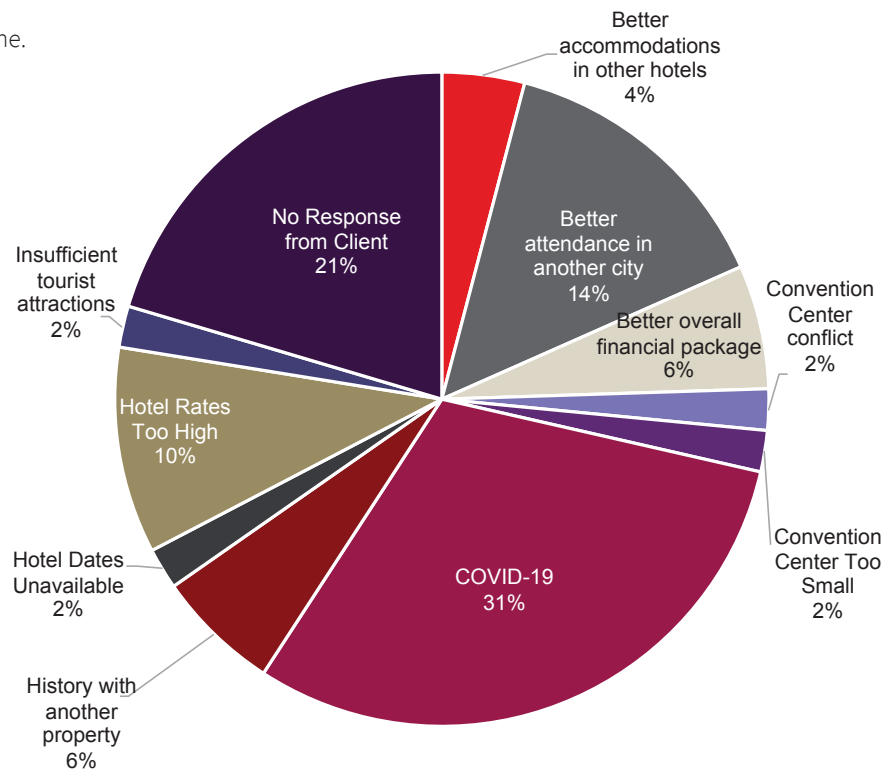
	P1-P2 Definites	P3-P5 Definites
■ FY Total	0	228
■ New Added for the Month	1	31
▨ Remaining to Goal	8	-32

SCCC Sales Lost Events

There were 1 piece of lost business in the month of June.

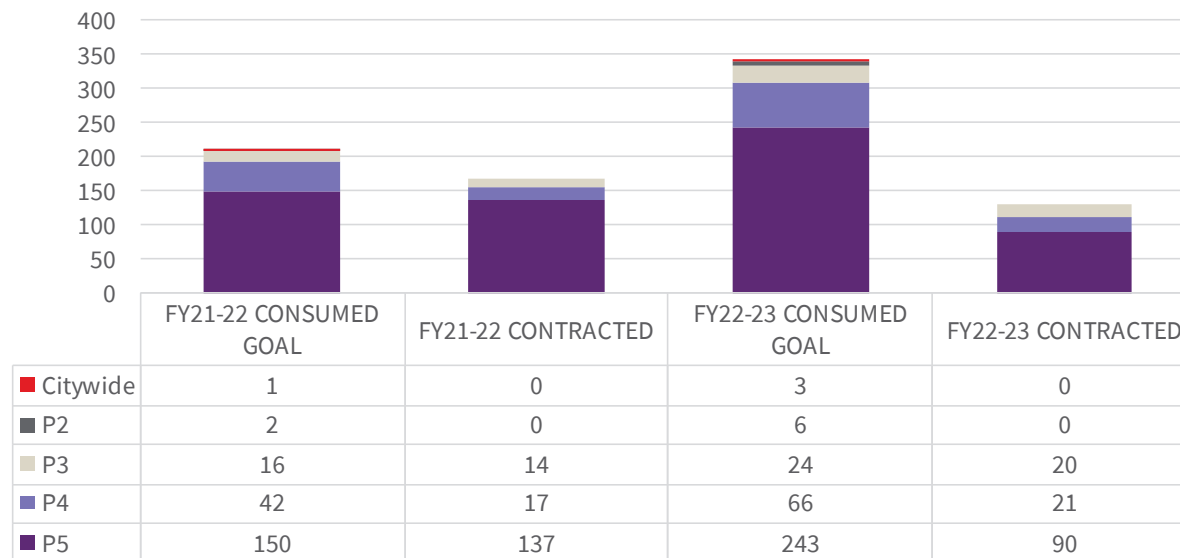
- The events represented:
 - 1,500 attendees
 - 1,190 room nights
 - \$200,000 in SCCC revenue (rental + F&B)
- Economic Impact
 - \$808,839.74

Lost Business by Reason YTD

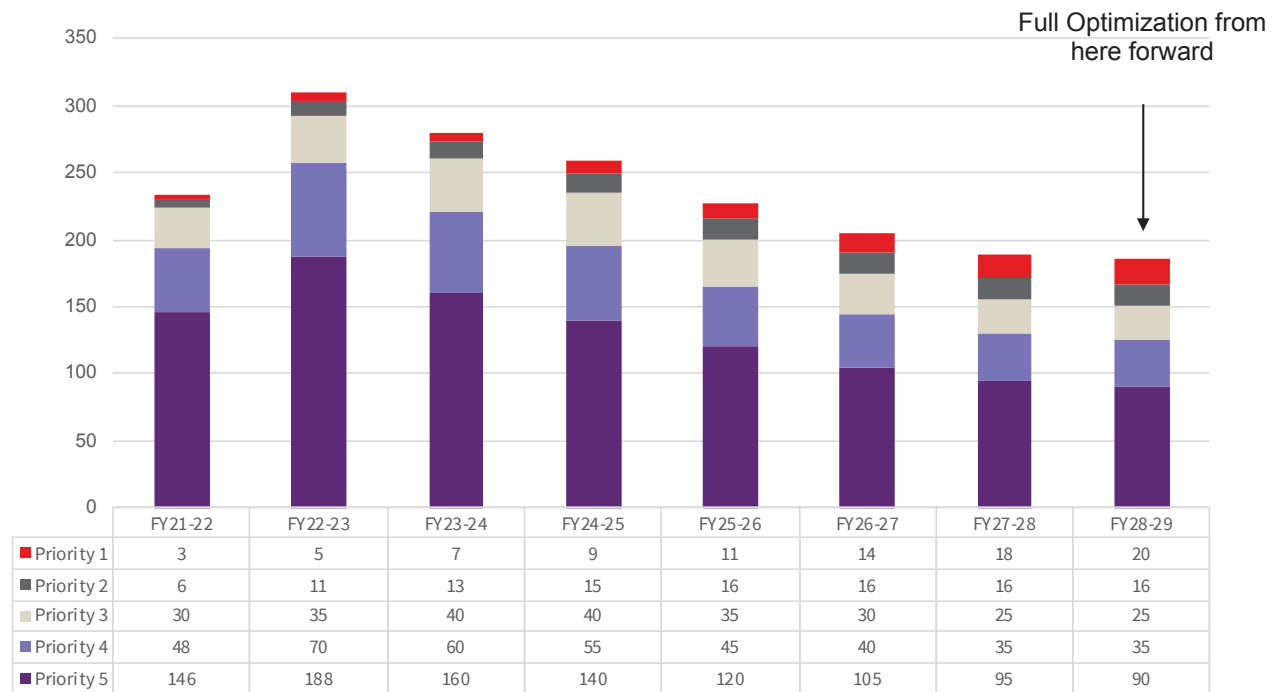


FY Budget Events (consumed in this FY)

FY Consumed Goals



Event Mix Goal to Full Optimization



**SCTID MEETING
AUGUST 23, 2022
AGENDA ITEM #3**

FY 2021/22 YEAR-TO-DATE (YTD) SUMMARY BY ORG					
	FY 2021/22 Budget	YTD Budget	Actual YTD Exp	Exp vs. YTD	Expended
FY 2021/22 FUNDING ALLOCATION	\$1,356,002	\$1,356,002	\$660,371	\$695,631	49%
Personnel					
Salary	\$562,500	\$562,500	\$186,291	\$376,209	33%
Payroll Taxes	\$43,606	\$43,606	\$14,200	\$29,406	33%
Health	\$46,766	\$46,766	\$2,041	\$44,725	4%
401K Fee	\$1,100	\$1,100	\$0	\$1,100	0%
Employee Benefits	\$47,866	\$47,866	\$2,041	\$45,825	4%
Employee Incentives	\$69,375	\$69,375	\$0	\$69,375	0%
Other	\$2,280	\$2,280	\$3,600	(\$1,320)	158%
TOTAL PERSONNEL EXPENSE	\$725,627	\$725,627	\$208,172	\$517,455	29%
<hr/>					
Purchased Goods and Services Expense					
Contract Services	\$371,876	\$371,876	\$368,163	\$3,713	99%
Operating Supplies	\$24,400	\$24,400	\$11,958	\$12,442	49%
Insurance	\$8,610	\$8,610	\$6,385	\$2,225	74%
Memberships	\$3,872	\$3,872	\$1,846	\$2,026	48%
Subscription Services	\$47,998	\$47,998	\$15,330	\$32,668	32%
Conferences and Trade Shows	\$8,900	\$8,900	\$545	\$8,355	6%
Business Development	\$50,000	\$50,000	\$13,158	\$36,843	26%
Travel & Entertainment	\$20,000	\$20,000	\$0	\$20,000	0%
Advertising & Promotion	\$25,000	\$25,000	\$390	\$24,610	2%
Support Services	\$42,500	\$42,500	\$518	\$41,982	1%
TOTAL PURCHASED GOODS & SERVICES EXPENSE	\$537,156	\$537,156	\$421,220	\$115,936	78%
<hr/>					
CONTINGENCY	\$15,000	\$15,000	\$9,532	\$5,468	64%
<hr/>					
CITY ADMINISTRATIVE FEE	\$12,219	\$12,219	\$23,488	(\$11,269)	192%
<hr/>					
TOTAL OPERATING EXPENSES	\$1,356,002	\$1,356,002	\$660,371	\$695,631	49%

**Silicon Valley/Santa Clara DMO, Inc.
FY 2021/22 YEAR-TO-DATE (YTD) SUMMARY BY PROGRAM**

Budget Item	FY 2021/22 Budget	YTD Budget	Actual YTD Exp	Variance	Expended
CONVENTION SALES, INCENTIVES & SERVICES					
Personnel	\$397,255.00	\$397,255.00	\$130,407.75	\$266,847.25	32.83%
Salary	\$277,500.00	\$277,500.00	\$114,624.05	\$162,875.95	41.31%
1.0 FTE Director of Sales	\$97,500.00	\$97,500.00	\$0.00	\$97,500.00	0.00%
1.0 FTE Sales Manager	\$90,000.00	\$90,000.00	\$62,700.95	\$27,299.05	69.67%
1.0 FTE Sales Manager	\$90,000.00	\$90,000.00	\$51,923.10	\$38,076.90	57.69%
Incentives	\$69,375.00	\$69,375.00	\$0.00	\$69,375.00	0.00%
Benefits	\$27,060.00	\$27,060.00	\$2,040.52	\$25,019.48	7.54%
Health	\$26,400.00	\$26,400.00	\$2,040.52	\$24,359.48	7.73%
401K Fee	\$660.00	\$660.00	\$0.00	\$660.00	0.00%
Payroll Taxes	\$22,000.00	\$22,000.00	\$10,143.18	\$11,856.82	46.11%
Other-Cell Phone Stipend	\$1,320.00	\$1,320.00	\$600.00	\$720.00	45.45%
Other (Relocation Benefits)	\$0.00	\$0.00	\$3,000.00	(\$3,000.00)	0.00%
Convention Sales, Incentives & Services Expenses	\$155,698.00	\$155,698.00	\$18,262.01	\$137,435.99	11.73%
Memberships	\$2,825.00	\$2,825.00	\$1,240.89	\$1,584.11	43.93%
Professional Convention Management Association (PCMA)	\$1,000.00	\$1,000.00	\$485.04	\$514.96	48.50%
Meeting Professional International (MPI)	\$1,125.00	\$1,125.00	\$503.25	\$621.75	44.73%
California Society of Association Executives (Cal SAE)	\$700.00	\$700.00	\$252.60	\$447.40	36.09%
Subscription Services	\$31,473.00	\$31,473.00	\$2,800.66	\$28,672.34	8.90%
CVENT	\$31,473.00	\$31,473.00	\$2,800.66	\$28,672.34	8.90%
Business Development	\$50,000.00	\$50,000.00	\$13,157.50	\$36,842.50	26.32%
Conferences and Tradeshows	\$8,900.00	\$8,900.00	\$545.00	\$8,355.00	6.12%
MPI ACE/WEC	\$1,500.00	\$1,500.00	\$545.00	\$955.00	36.33%
CALSAE	\$2,400.00	\$2,400.00	\$0.00	\$2,400.00	0.00%
CONNECT	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	0.00%
Support Services	\$42,500.00	\$42,500.00	\$517.96	\$41,982.04	1.22%
Site Tours	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	0.00%
Familiarization Trips	\$20,000.00	\$20,000.00	\$0.00	\$20,000.00	0.00%
Client Events	\$17,500.00	\$17,500.00	\$517.96	\$16,982.04	2.96%
Travel & Entertainment	\$20,000.00	\$20,000.00	\$0.00	\$20,000.00	0.00%
TOTAL CONVENTION SALES, INCENTIVES & SERVICES	\$552,953.00	\$552,953.00	\$148,669.76	\$404,283.24	26.89%
MARKETING & COMMUNICATIONS					
Marketing Expenses	\$241,000.00	\$241,000.00	\$157,623.66	\$83,376.34	65.40%
Contract Services	\$216,000.00	\$216,000.00	\$157,233.66	\$58,766.34	72.79%
Marketing Services	\$166,000.00	\$166,000.00	\$97,918.33	\$68,081.67	58.99%
Branding	\$28,000.00	\$28,000.00	\$28,000.00	\$0.00	100.00%
Website	\$22,000.00	\$22,000.00	\$31,315.33	(\$9,315.33)	142.34%
Advertising & Promotions	\$25,000.00	\$25,000.00	\$390.00	\$24,610.00	1.56%
TOTAL MARKETING & COMMUNICATIONS	\$241,000.00	\$241,000.00	\$157,623.66	\$83,376.34	65.40%
ADMINISTRATION					
Personnel	\$328,372.00	\$328,372.00	\$75,723.47	\$252,648.53	23.06%
Salary	\$285,000.00	\$285,000.00	\$71,666.67	\$213,333.33	25.15%
1.0 FTE CEO	\$215,000.00	\$215,000.00	\$71,666.67	\$143,333.33	33.33%
1.0 FTE Administrative Assistant	\$70,000.00	\$70,000.00	\$0.00	\$70,000.00	0.00%
Benefits	\$20,806.00	\$20,806.00	\$0.00	\$20,806.00	0.00%
Health	\$20,366.00	\$20,366.00	\$0.00	\$20,366.00	0.00%
401K Fee	\$440.00	\$440.00	\$0.00	\$440.00	0.00%
Payroll Taxes	\$21,606.00	\$21,606.00	\$4,056.80	\$17,549.20	18.78%
Other-Cell Phone Stipend	\$960.00	\$960.00	\$0.00	\$960.00	0.00%
Administrative Expenses	\$206,458.00	\$206,458.00	\$244,980.50	(\$38,522.50)	118.66%
Contract Services	\$155,876.00	\$155,876.00	\$210,929.04	(\$55,053.04)	135.32%
Human Resources	\$30,000.00	\$30,000.00	\$6,040.00	\$23,960.00	20.13%
Fiscal	\$17,000.00	\$17,000.00	\$26,759.11	(\$9,759.11)	157.41%
Legal	\$24,000.00	\$24,000.00	\$24,212.47	(\$212.47)	100.89%
Payroll	\$4,500.00	\$4,500.00	\$2,676.75	\$1,823.25	59.48%
Professional Services	\$60,000.00	\$60,000.00	\$71,944.29	(\$11,944.29)	119.91%
IT	\$5,376.00	\$5,376.00	\$3,168.00	\$2,208.00	58.93%
Audit	\$15,000.00	\$15,000.00	\$0.00	\$15,000.00	0.00%
Staffing Services	\$0.00	\$0.00	\$76,128.42	(\$76,128.42)	0.00%
Operating Supplies	\$24,400.00	\$24,400.00	\$12,031.37	\$12,368.63	49.31%
Licenses/Bank Fees	\$0.00	\$0.00	\$94.00	(\$94.00)	0.00%
Office supplies	\$5,000.00	\$5,000.00	\$103.67	\$4,896.33	2.07%
Software Licenses	\$3,500.00	\$3,500.00	\$1,411.04	\$2,088.96	40.32%
Postage	\$300.00	\$300.00	\$7.68	\$292.32	2.56%
IT (Computers and Hardware)	\$15,600.00	\$15,600.00	\$10,414.98	\$5,185.02	66.76%
Insurance	\$8,610.00	\$8,610.00	\$6,927.29	\$1,682.71	80.46%
Workers Comp	\$3,078.00	\$3,078.00	\$1,779.96	\$1,298.04	57.83%
Business Owners Liability & Property	\$1,597.00	\$1,597.00	\$1,730.04	(\$133.04)	108.33%
Professional Cyber Liability	\$1,839.00	\$1,839.00	\$2,247.03	(\$408.03)	122.19%
Management Liability	\$2,096.00	\$2,096.00	\$1,170.26	\$925.74	55.83%
Memberships	\$1,047.00	\$1,047.00	\$666.65	\$380.35	63.67%
Destinations International	\$1,047.00	\$1,047.00	\$666.65	\$380.35	63.67%

Recruitment	\$0.00	\$0.00	\$1,897.00	(\$1,897.00)	0.00%
Subscription Services	\$16,525.00	\$16,525.00	\$12,529.15	\$3,995.85	75.82%
CRM System (Simpleview)	\$8,200.00	\$8,200.00	\$5,800.00	\$2,400.00	70.73%
Annual Subscription	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DMAI	\$0.00	\$0.00	\$900.04	(\$900.04)	0.00%
		\$0.00	\$0.00	\$0.00	0.00%
Destinations International	\$7,725.00	\$7,725.00	\$5,804.11	\$1,920.89	75.13%
Trade Journals/Newspapers	\$600.00	\$600.00	\$25.00	\$575.00	4.17%
TOTAL ADMINISTRATION	\$534,830.00	\$534,830.00	\$320,703.97	\$214,126.03	59.96%
Contingency	\$15,000.00	\$15,000.00	\$9,532.15	\$5,467.85	63.55%
City Administration Fee	\$12,219.00	\$12,219.00	\$23,487.89	(\$11,268.89)	192.22%
TOTAL OPERATING BUDGET	\$1,356,002.00	\$1,356,002.00	\$660,017.43	\$695,984.57	48.67%

Budget vs. Actuals
FY 2021/22
June 30, 2022

	Annual Budget	YTD Budget	YTD ACTUAL	VARIANCE	Expended
TID Collection FY 2021/22			\$ 1,174,395.07		
Other Contributions			\$ 66,000.00		
Total Contributions			\$ 1,240,395.07		
FY 2021/22 FUNDING ALLOCATION	\$1,356,002.00	\$1,356,002.00	\$660,371.17	\$695,630.83	49%
Personnel					
Salary					
CEO	\$215,000.00	\$215,000.00	\$71,666.67	\$143,333.33	33%
DOS	\$97,500.00	\$97,500.00	\$0.00	\$97,500.00	0%
SM1	\$90,000.00	\$90,000.00	\$62,700.95	\$27,299.05	70%
SM2	\$90,000.00	\$90,000.00	\$51,923.10	\$38,076.90	58%
Admin	\$70,000.00	\$70,000.00	\$0.00	\$70,000.00	0%
Salary	\$562,500.00	\$562,500.00	\$186,290.72	\$376,209.28	33%
Payroll Taxes					
CEO	\$15,964.00	\$15,964.00	\$4,056.80	\$11,907.20	25%
DOS	\$6,700.00	\$6,700.00	\$0.00	\$6,700.00	0%
SM1	\$7,650.00	\$7,650.00	\$5,600.20	\$2,049.80	73%
SM2	\$7,650.00	\$7,650.00	\$4,542.98	\$3,107.02	59%
Admin	\$5,642.00	\$5,642.00	\$0.00	\$5,642.00	0%
Payroll Taxes	\$43,606.00	\$43,606.00	\$14,199.98	\$29,406.02	33%
Employee Benefits					
Health					
Health - CEO	\$10,183.00	\$10,183.00	\$0.00	\$10,183.00	0%
Health - DOS	\$7,200.00	\$7,200.00	\$0.00	\$7,200.00	0%
Health - SM1	\$9,600.00	\$9,600.00	\$0.00	\$9,600.00	0%
Health - SM2	\$9,600.00	\$9,600.00	\$2,040.52	\$7,559.48	21%
Health - Admin	\$10,183.00	\$10,183.00	\$0.00	\$10,183.00	0%
Health	\$46,766.00	\$46,766.00	\$2,040.52	\$44,725.48	4%
401K Fee					
401K Fee - CEO	\$220.00	\$220.00	\$0.00	\$220.00	0%
401K Fee - DOS	\$220.00	\$220.00	\$0.00	\$220.00	0%
401K Fee - SM1	\$220.00	\$220.00	\$0.00	\$220.00	0%
401K Fee - SM2	\$220.00	\$220.00	\$0.00	\$220.00	0%
401K Fee - Admin	\$220.00	\$220.00	\$0.00	\$220.00	0%
401K Fee	\$1,100.00	\$1,100.00	\$0.00	\$1,100.00	0%
Employee Benefits	\$47,866.00	\$47,866.00	\$2,040.52	\$45,825.48	4%

		\$0.00			
Employee Incentives		\$0.00			
Employee Incentive DOS	\$24,375.00	\$24,375.00	\$0.00	\$24,375.00	0%
Employee Incentive SM1	\$22,500.00	\$22,500.00	\$0.00	\$22,500.00	0%
Employee Incentive SM2	\$22,500.00	\$22,500.00	\$0.00	\$22,500.00	0%
Employee Incentives	\$69,375.00	\$69,375.00	\$0.00	\$69,375.00	0%
Other					
Cell Phone Stipend - CEO	\$480.00	\$480.00	\$0.00	\$480.00	0%
Cell Phone Stipend - DOS	\$360.00	\$360.00	\$0.00	\$360.00	0%
Cell Phone Stipend - SM1	\$480.00	\$480.00	\$320.00	\$160.00	67%
Cell Phone Stipend - SM2	\$480.00	\$480.00	\$280.00	\$200.00	58%
Cell Phone Stipend - Admin	\$480.00	\$480.00	\$0.00	\$480.00	0%
Relocation Expense		\$0.00	\$3,000.00	(\$3,000.00)	
Other	\$2,280.00	\$2,280.00	\$3,600.00	(\$1,320.00)	158%
TOTAL PERSONNEL EXPENSE	\$725,627.00	\$725,627.00	\$206,131.22	\$519,495.78	28%
PURCHASED GOODS & SERVICES					
Contract Services					
Fiscal Services	\$17,000.00	\$17,000.00	\$26,759.11	(\$9,759.11)	157%
Legal Services	\$24,000.00	\$24,000.00	\$24,212.47	(\$212.47)	101%
Payroll Services	\$4,500.00	\$4,500.00	\$2,676.75	\$1,823.25	59%
Audit	\$15,000.00	\$15,000.00	\$0.00	\$15,000.00	0%
IT	\$5,376.00	\$5,376.00	\$3,168.00	\$2,208.00	59%
Professional Services	\$60,000.00	\$60,000.00	\$71,944.29	(\$11,944.29)	120%
HR Services	\$30,000.00	\$30,000.00	\$6,040.00	\$23,960.00	20%
Staffing	\$0.00	\$0.00	\$76,128.42	(\$76,128.42)	
Marketing	\$166,000.00	\$166,000.00	\$97,918.33	\$68,081.67	59%
Website	\$22,000.00	\$22,000.00	\$31,315.33	(\$9,315.33)	142%
Branding	\$28,000.00	\$28,000.00	\$28,000.00	\$0.00	100%
Contract Services	\$371,876.00	\$371,876.00	\$368,162.70	\$3,713.30	99%
Operating Supplies					
Banking Fees	\$0.00	\$0.00	\$45.00	(\$45.00)	
Software Licenses	\$3,500.00	\$3,500.00	\$1,411.04	\$2,088.96	40%
Postage	\$300.00	\$300.00	\$7.68	\$292.32	3%
IT	\$15,600.00	\$15,600.00	\$10,414.98	\$5,185.02	67%
Licenses		\$0.00	\$49.00	(\$49.00)	
Office Supplies	\$5,000.00	\$5,000.00	\$103.67	\$4,896.33	2%
Operating Supplies	\$24,400.00	\$24,400.00	\$11,958.32	\$12,441.68	49%
Recruitment		\$0.00	\$1,897.00	(\$1,897.00)	
Insurance					
Workers Compensation	\$3,078.00	\$3,078.00	\$1,779.96	\$1,298.04	58%
Business Owners Liability & Property	\$1,597.00	\$1,597.00	\$1,730.04	(\$133.04)	108%

Professional Cyber Liability	\$1,839.00	\$1,839.00	\$2,247.03	(\$408.03)	122%
Management Liability	\$2,096.00	\$2,096.00	\$1,170.26	\$925.74	56%
Insurance	\$8,610.00	\$8,610.00	\$6,385.12	\$2,224.88	74%
Memberships					
Destinations International	\$1,047.00	\$1,047.00	\$666.65	\$380.35	64%
PCMA	\$1,000.00	\$1,000.00	\$485.04	\$514.96	49%
MPI ACE/WEC	\$1,125.00	\$1,125.00	\$503.25	\$621.75	45%
CALSAE	\$700.00	\$700.00	\$252.60	\$447.40	36%
Memberships	\$3,872.00	\$3,872.00	\$1,846.07	\$2,025.93	48%
Subscription Services					
CRM	\$8,200.00	\$8,200.00	\$5,800.00	\$2,400.00	71%
CVENT	\$31,473.00	\$31,473.00	\$2,800.66	\$28,672.34	9%
DMAI Event Impact Calendar			\$900.04		
Destination International	\$7,725.00	\$7,725.00	\$5,804.11	\$1,920.89	75%
Trade Journal/Newspapers	\$600.00	\$600.00	\$25.00	\$575.00	4%
Subscription Services	\$47,998.00	\$47,998.00	\$15,329.81	\$32,668.19	32%
Conferences and Trade Shows					
MPI ACE/WEC	\$1,500.00	\$1,500.00	\$545.00	\$955.00	36%
CALSAE	\$2,400.00	\$2,400.00	\$0.00	\$2,400.00	0%
CONNECT	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	0%
Conferences and Trade Shows	\$8,900.00	\$8,900.00	\$545.00	\$8,355.00	6%
Business Development	\$50,000.00	\$50,000.00	\$13,157.50	\$36,842.50	26%
Travel & Entertainment	\$20,000.00	\$20,000.00	\$0.00	\$20,000.00	0%
Advertising & Promotion	\$25,000.00	\$25,000.00	\$390.00	\$24,610.00	2%
Support Services					
Client Events	\$17,500.00	\$17,500.00	\$517.96	\$16,982.04	3%
Site Visits	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	0%
Familiarization Trips	\$20,000.00	\$20,000.00	\$0.00	\$20,000.00	0%
Support Services	\$42,500.00	\$42,500.00	\$517.96	\$41,982.04	1%
TOTAL PURCHASED GOODS & SERVICES EXPENSE	\$537,156.00	\$537,156.00	\$421,219.91	\$115,936.09	78%
CONTINGENCY	\$15,000.00	\$15,000.00	\$9,532.15	\$5,467.85	64%
CITY ADMINISTRATIVE FEE	\$12,219.00	\$12,219.00	\$23,487.89	(\$11,268.89)	192%
TOTAL OPERATING EXPENSES	\$1,356,002.00	\$1,356,002.00	\$660,371.17	\$695,630.83	49%
FUND SURPLUS(DEFICIT)			\$695,630.86		

Silicon Valley/Santa Clara, DMO, Inc. Fund Summary – PRELIM 8/12/22

DMO FUNDS	As of 07/01/2021	Transfer of Funds		
City – TID Account	1,396,061	1,146,061		
Wells Fargo Account	78,768	328,768		
Total Beginning Fund Balance	1,474,829	1,474,829		

A	B	C	E	F
	2021/22 Adopted	2021/22 Amended	2021/22 Actual	2022/23 Proposed
Beginning Fund Balance				
DMO Funds	1,474,829	1,474,829	1,474,829	1,382,368
DMO Reserves	-	-	-	678,001
Total Beginning Fund Balance	1,474,829	1,474,829	1,474,829	2,060,369
Total Revenue				
TID Assessment	610,936	610,936	1,174,395	1,174,623
Levy Marketing Investment	-	30,000	30,000	30,000
OVG360 Marketing Investment	-	36,000	36,000	36,000
Other Revenue	-	-	5,516	-
Total Revenue	610,936	676,936	1,245,911	1,240,623
Total Source of Funds	2,085,765	2,151,765	2,720,740	3,300,992
Expenditures				
Personnel	725,627	725,627	206,131	934,044
NonPersonnel	537,156	603,156	421,220	698,871
Contingency	15,000	15,000	9,532	35,239
City Administration Fee	12,219	12,219	23,488	23,429
Total Expenditures	1,290,002	1,356,002	660,371	1,691,583
Ending Fund Balance				
DMO Funds	795,763	795,763	2,060,369	931,408
DMO Reserves	-	-	-	678,001
Total Ending Fund Balance	795,763	795,763	2,060,369	1,609,409
Total Use of Funds	2,085,765	2,151,765	2,720,740	3,300,992



FY 2021/22 Key Performance Indicators (KPIs) Year-End Summary

Silicon Valley/Santa Clara DMO Inc.		
Performance Measures		
	2021/22 Target	2021/22 Actual
1. Event Mix (Consumed)		
Percent of P1 Events	1%	0%
Number of P1 Events	1	0
Percent of P2 Events	2%	0%
Number of P2 Events	2	0
2. Number of Definite Events Booked (booked in the year for future years)		
Number of P1 Events	3	1
Number of P2 Events	6	0
3. Convention Center Gross Revenue (P1 & P2)	\$876,000	\$0
4. Number of Room Nights Booked (for future years)	9,375	2,100
5. Number of Room Nights Consumed	3,125	0
6. Number of Weeks Impacted (Consumed)	3	0
7. Customer Service Survey Results (overall satisfaction)	85%	-
8. Number of Prospects (active) (non-cumulative P1 & P2)	770	43
9. Economic Impact (Consumed P1 and P2 events)	\$2,010,649	\$0
Anthony Mancuso	2021/22 Target	2021/22 Actual
Prospecting Goal - Number of new prospects	170	14
Michael Baker	2021/22 Target	2021/22 Actual
Prospecting Goal - Number of new prospects	180	17

KPI Summary

- | | |
|-------------------------------------|------------------------------------|
| 1. Event Mix | 6. Number of Weeks Impacted |
| 2. Number of Definite Events Booked | 7. Customer Service Survey Results |
| 3. Convention Center Gross Revenue | 8. Number of Prospects |
| 4. Number of Room Nights Booked | 9. Economic Impact |
| 5. Number of Room Nights Consumed | |



1. **Event Mix** – The Event Mix KPI was developed to encourage a focus on the type and quality of events at the Convention Center as opposed to strictly focusing on the quantity of events. While there weren't any consumed P1 and P2 events this year, the highlight of FY 2021/22 was the P1 secured for 2023. The area of focus for the upcoming fiscal year is how the key partners (Levy, OVG and Discover Santa Clara™) can use the current prospecting and market development efforts to increase success with securing the large events (P1s and P2s).
2. **Definite Events Booked** – The highlight of FY 2021/22 was the P1 secured for 2023 that included 2,100 room nights. The area of focus for the upcoming fiscal year is continuing to refine and use the current prospecting and market development efforts to increase success with securing the large events (P1s and P2s).
3. **Convention Center Gross Revenue** – FY 2021/22 had some challenges due to lingering COVID impact. Group activity was impacted well into the second quarter and into the third quarter. Additionally, there were staffing challenges with the DMO having two dedicated sales managers for just under seven months out of the year, and only one sales manager remaining for the last two months of year. The hiring process was reopened, and a new sales manager is tentatively scheduled to begin in September 2022.
4. **Room Nights Booked** – Achieving the goals for rooms that have been occupied in the past fiscal year was a collaborative effort with OVG, Levy and Discover Santa Clara™. This year, the highlight was securing a P1 with over 2,000 room nights for 2023. The team continues to identify ways to secure more P1 and P2 business, as well as focusing their efforts on obtaining room nights for the SCTID hotels.
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 Discover Santa Clara™. 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. Due to staffing challenges and complications from COVID – there weren't any consumed room nights for P1s and P2s this year.
6. **Number of Weeks Impacted** – There was no impact on weeks because there weren't any consumed P1 or P2 events for the DMO.
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. The past fiscal year has served as a pilot year with focus on finalizing the survey and driving client response rate. Because there weren't any P1 or P2 events, the DMO was not able to be scored. 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 over 240 leads being actively researched to become potential prospects.
9. **Economic Impact** – The total economic impact of Convention Center events in the fiscal year was \$32,089,813. However, there was not any economic impact for consumed P1 or P2 events for the DMO.

FY 2022/23 Key Performance Indicators (KPIs)

Silicon Valley/Santa Clara DMO Inc.	
Performance Measures	
	2022/23 Target
1. Event Mix (Consumed)	
Percent of P1 Events	2%
Number of P1 Events	3
Percent of P2 Events	4%
Number of P2 Events	6
2. Number of Definite Events Booked (booked in the year for future years)	
Number of P1 Events	5
Number of P2 Events	11
3. Convention Center Gross Revenue (P1 & P2)	\$2,580,000
4. Number of Room Nights Booked (for future years)	16,438
5. Number of Room Nights Consumed	9,375
6. Number of Weeks Impacted (Consumed)	9
7. Customer Service Survey Results (overall satisfaction)	85%
8. Number of Prospects (active) (non-cumulative P1 & P2)	300
9. Economic Impact (Consumed P1 and P2 events)	\$6,031,943

Revised Prospecting Goals

CSM #1 - Michael Baker	2022/23 Target
Prospecting Goal - Number of new prospects	60
Actual	0

CSM #2 (Oct.)	2022/23 Target
Prospecting Goal - Number of new prospects	45
Actual	0

DOS (Nov.)	2022/23 Target
Prospecting Goal - Number of new prospects	32
Actual	0

FY 2022/23 Number of Prospects 137

**AGREEMENT TO ADMINISTER
THE SANTA CLARA TOURISM IMPROVEMENT DISTRICT
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
SILICON VALLEY/SANTA CLARA DMO, INC.**

PREAMBLE

This Agreement is entered into by and between the **City of Santa Clara**, California, a chartered California municipal corporation (“City”) and **Silicon Valley/Santa Clara DMO, Inc.**, a California non-profit mutual benefit corporation (“Corporation”), acting as the Owners Association pursuant to Section 36651 of the California Streets and Highways Code, for the administration of the Santa Clara Tourism Improvement District, for the purpose of conveying special benefits to lodging businesses assessed as part of the Santa Clara Tourism Improvement District. City and Corporation may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

- A. The Parties previously entered into an Agreement entitled “Agreement for Destination Marketing Services Between the City of Santa Clara, California, and Silicon Valley/Santa Clara DMO, Inc. dated November 3, 2020; and now desire to replace the prior Agreement.
- B. On May 25, 2021, the Santa Clara City Council (“City Council”), acting pursuant to the Property and Business Improvement Act of 1994, Sections 36600, et seq., of the California Streets and Highways Code (“Act”), adopted Resolution No. 21-8964 (“Resolution”), which established the Santa Clara Tourism Improvement District (“SCTID”) and levied assessment on the lodging businesses within the District.
- C. The assessments levied and collected by the City shall be used only for the purposes set forth in said Resolution, which incorporates by reference the Management District Plan.
- D. The services and activities to be performed by the Corporation are of a supplemental nature, such that were it not for the establishment of the SCTID, the supplemental services could not or would not be performed by City or by City employees, and such that the interests of City are better served by an agreement with the Corporation than by the performance or attempted performance of such supplemental services and activities by City.
- E. The City Council has authorized the City Manager’s Office to execute and administer this Agreement with the Corporation to administer the SCTID.
- F. The Parties have specified herein the terms and conditions under which such services will be provided.

The Parties agrees as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

1.1. The documents forming the entire Agreement between City and Corporation shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Key Performance Indicators

Exhibit B – Insurance Requirements

The documents listed below are hereby incorporated by reference:

Santa Clara Tourism Improvement District Management District Plan, dated January 6, 2021

Santa Clara Convention Center Booking Policy Guidelines

1.2. This Agreement, including the Exhibits and documents incorporated by reference as set forth above, contains all the agreements, representations, and understandings of the Parties, and supersedes and replaces any previous agreements, representations, and understandings, whether oral or written. In the event of any inconsistency between the terms and conditions in the body of the Agreement (including its Exhibits) and the documents incorporated by reference as set forth above, the terms and conditions in the body of this Agreement (including Exhibits) shall govern and control.

2. TERM OF AGREEMENT

2.1. Initial Term. Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement is retroactive to July 1, 2022 (“Effective Date”) and shall terminate on June 30, 2026. Notwithstanding the Effective Date, this Agreement shall be binding on the Parties upon full execution hereof.

2.2. Option Terms. Upon expiration of the Initial Term, City has the option and sole discretion to extend this Agreement, according to all terms and conditions, for a subsequent term of five (5) years (“Option Term One”) by serving notice to Corporation no later than 180 calendar days from the expiration of the Initial Term. Upon expiration of Option Term, City has the option and sole discretion to extend this Agreement, according to all terms and conditions, for a subsequent term of five (5) years (“Option Term Two”) by serving notice to Corporation no later than 180 calendar days from the expiration of Option Term One. The Initial Term plus any such renewal terms is sometimes referred to herein as the “Term”.

2.3. No Automatic Renewals. There shall be no automatic renewal of this Agreement upon the expiration of the Initial Term or either Option Terms.

- 2.4. Operating Year. The SCTID’s operating year shall mean each 12-month period of time during the Term beginning on July 1 and ending on June 30 (“Operating Year”) including extension periods, if any.

Initial Term	
2022-2023 Operating Year	July 1, 2022 to June 30, 2023
2023-2024 Operating Year	July 1, 2023 to June 30, 2024
2024-2025 Operating Year	July 1, 2024 to June 30, 2025
2025-2026 Operating Year	July 1, 2025 to June 30, 2026
Option Term One	
2026-2027 Operating Year	July 1, 2026 to June 30, 2027
2027-2028 Operating Year	July 1, 2027 to June 30, 2028
2028-2029 Operating Year	July 1, 2028 to June 30, 2029
2029-2030 Operating Year	July 1, 2029 to June 30, 2030
2030-2031 Operating Year	July 1, 2030 to June 30, 2031
Option Term Two	
2031-2032 Operating Year	July 1, 2031 to June 30, 2032
2032-2033 Operating Year	July 1, 2032 to June 30, 2033
2033-2034 Operating Year	July 1, 2033 to June 30, 2034
2034-2035 Operating Year	July 1, 2034 to June 30, 2035
2035-2036 Operating Year	July 1, 2035 to June 30, 2036

3. CORPORATION RESPONSIBILITIES

- 3.1. Program Implementation and Operation. Corporation shall be responsible for developing, implementing, directing, and operating SCTID programs, improvements or activities as described in the Management District Plan incorporated fully by reference. Corporation understands and expressly agrees that it will comply with all applicable laws and regulations and maintain its non-profit status throughout the Term.
- 3.2. Key Performance Indicators (“KPIs”). Corporation’s performance of its responsibilities set forth in Section 3.1 shall be measured by the KPIs set forth in Exhibit A. The development of specific goals to be assigned from year to year to each KPI shall be discussed in good faith between the City and Corporation, and in alignment with the Santa Clara Convention Center Booking Policy Guidelines which may evolve and vary from time to time. To the extent the Parties do not agree on new goals for the KPIs for any particular year, the previously agreed to goals shall remain in effect. The Corporation shall be responsible for providing the reporting described in Section 3.3.
- 3.3. Program and Budget Reports. Corporation shall prepare and submit to the City quarterly activity reports and an Annual Report for each year for which assessments are to be levied and collected by City. Corporation shall submit to City the various applicable SCTID program plans and reports, including the following:
- A. Annual Report. Corporation shall prepare and submit to the City Manager’s Office and file with the City Clerk’s Office, an Annual Report for each Operating Year for which Assessments are to be levied and collected. The Annual Report shall be prepared in accordance with Section 36650 of the Act and shall contain all items required by said Section. The Annual Report shall be submitted by April 30 of each subsequent Operating Year of the SCTID’s operations for which assessments are

to be levied and collected. These reports are subject to review, approval and/or modification by the City Council.

- B. Sales and Marketing Plan. Corporation shall prepare and submit to City with the Annual Report, a comprehensive Sales and Marketing Plan. The Sales and Marketing Plan shall:
- i. Include marketing approaches for all event types at the Santa Clara Convention Center (the "Convention Center").
 - ii. Formulate a strategy for acquiring new and maintaining existing desirable convention, trade show and group leisure clients of the Convention Center and Santa Clara as a destination.
 - iii. Identify ideal clients by industry, type of business, and other appropriate factors as determined by Corporation and clients that should be targeted for development.
 - iv. Describe the unique selling proposition that sets Santa Clara and the Convention Center apart from competing destinations and venues.
 - v. Define the sales territory(ies) and/or market segment(s) that will be targeted and the rationale for such delineation.
 - vi. Address competitive factors, including venues and the value proposition of Santa Clara as a destination and the Convention Center relative to such competition and all targeted markets.
 - vii. Articulate a forecast of sales and marketing results each quarter and annually, and include sales head count, sales activity, revenue, room nights and economic impact generated.
- C. Quarterly Activity Reports. Corporation shall submit to City quarterly activity reports. The report for July, August, and September of each SCTID operating year shall be submitted by October 31 of the subject year; the report for October, November, and December by January 31 of the subject year; the report for January, February, and March by April 30 of the subject year; and the report for April, May, and June by July 31 of the subsequent year. The quarterly activity reports shall describe the status and progress of the KPIs and various SCTID programs, improvements and activities as described and referenced in the Management District Plan. The Quarterly Activity Report shall be written in narrative summary form and include available summary statistical and financial data.

3.4. Audits.

- A. Financial Statement Audit. Within ninety (90) days after the end of each Operating Year, Corporation agrees to provide to the City a certified Audited Financial Statement and Management's Reports on Internal Control over Financial Reporting on the accounts and records as kept by the Corporation. Costs associated with obtaining such certified audit report shall be a Corporation expense, which expense shall be permitted to be included in Corporation's Annual Budget. Such audit shall be performed by an external auditor approved by the City, such approval not to be unreasonably withheld or delayed, and shall be conducted in accordance with generally accepted auditing standards.
- B. Agreed Upon Procedure Report. Corporation shall cause to be prepared an Agreed Upon Procedure (AUP) Report to validate the hotels' SCTID assessment collection amount, calculation, and timely remittance to the City. The AUP shall be submitted to

the City within ninety (90) days after the end of each Operating Year along with the Financial Statement Audit. Costs associated with obtaining such report shall be a Corporation operating expense, which expense shall be permitted to be included in the Corporation's Annual Budget. Such report shall be performed by the external auditor approved by the City and shall be conducted in accordance with generally accepted auditing standards.

C. Performance Audit. City (through its Director of Finance or other authorized officer or designee) may also cause, at its own expense, a Performance Audit to be conducted and completed by a performance auditor (the person or firm so selected referred to herein as the "Auditor") or by the City Auditor. The Performance Audit shall assess Corporation's performance during the previous Operating Year using the KPIs, considering applicable funding levels under this Agreement. A draft report of the Performance Audit shall be made available for comment by City and Corporation prior to completion of the audit. The Performance Audit will include the Performance Measures agreed each year as part of the budget process.

D. Sales Audit. City may also conduct a sales audit, at its own expense, at a frequency determined by the City, to validate the "status" and documentation of client files. The frequency of the sales audit shall be agreed upon by both Parties. This audit is designed to confirm the accuracy of the numbers reported related to sales performance and data that is calculated to determine incentive plan expenditures.

3.5. Program Coordination. Corporation shall render services described in Section 3.1 ("Services") in accordance with the Management District Plan and the terms of this Agreement and shall cooperate with the City Manager's Office in the execution of the Management District Plan and this Agreement.

3.6. Support Services. Corporation assumes responsibility for the contracting of support services as required and paying for all such direct and indirect expenses as may be necessary for the timely completion of work. Any obligations or expenditures for items not budgeted in Corporation's Annual Budget (as it may be revised or updated from time to time) shall not be paid through assessments collected for the SCTID. In administering subcontracts as necessary for providing SCTID programs, improvements or activities, Corporation shall comply with all applicable State, County and City laws and regulations.

3.7. Procurement of Goods and Services. Corporation shall follow best procurement practices in the purchase of goods and services that are paid for through this Agreement. The term "best procurement practices" shall entail Corporation acting in a commercially reasonable manner in: (i) implementing and maintaining responsible management and oversight so as to manage its procurement contracts fairly and effectively, (ii) considering factors such as the requirements of Corporation's business operations, alternatives, timing, supply strategy and total life cycle costs of the good or service when evaluating vendors' submissions, (iii) providing all qualified vendors with fair access so as to avoid conflict of interest, and to choose the successful vendor through a fair and non-discriminatory process, (iv) assuring that it is receiving quality service and goods at the right place and time, and (v) otherwise promoting integrity, professionalism, accountability, transparency, compliance to internally articulated requirements, and continuous improvement.

To the maximum extent possible, Corporation shall provide economic opportunities to the City's local businesses and vendors through the Corporation's procurement of goods and services, and actively market, promote and disseminate information to City businesses and vendors with regard to the Corporation's procurement policies (in an effort to provide increased competition and awareness to City businesses and vendors of future bids, proposals, and other procurement opportunities issued by the Corporation). Corporation shall report such efforts to City when reasonably requested by the City.

- 3.8. Budget. Each program, improvement or activity specified in the Management District Plan, and as described in section 36622 of the Act, or the Annual Report, shall be implemented by Corporation. Corporation and City agree that amounts shown in the Management District Plan or the Annual Reports were the best estimates of the cost of those programs, improvements, or activities at the time those estimates were made. Deviations from those estimates may be anticipated and made by mutual agreement of the Parties and subsequent update to Corporation's Annual Budget. City and Corporation also agree that the programs, improvements, and activities may not be completed within the year budgeted, given normal delays that can be expected in these types of programs. Corporation will use its best efforts to implement and complete all programs, improvements and activities specified in the Management District Plan. If Corporation decides to make any changes to the Management District Plan, Corporation will request City Council authorization to make said modifications pursuant to Sections 36635 and 36636 of the Act. In no event may Corporation spend more than the total amount collected pursuant to collection rate in the Management District Plan for any given year, including delinquent payments, interest income, and rollover funds, without City Manager's Office or City Council approval.

4. CITY RESPONSIBILITIES

The City Manager's Office may assist with the resolution of any discrepancies in individual Assessment amounts, calculations, or benefits. The City reserves the right to:

- 4.1. Make reasonable efforts to effect the timely collection of the monthly assessment, including City assessments and direct billed assessments;
- 4.2. Make reasonable efforts with the Finance Department to pursue delinquent assessments and remit such assessments to Corporation, including penalties subject to City's right to recover costs for pursuing such assessments;
- 4.3. Maintain a continual liaison with Corporation, including assisting with the coordination of services from various other City departments, bureaus, and agencies as needed;
- 4.4. Conduct reviews of existing primary data; verify assessment data as provided by the Finance Department; perform field or site inspections to verify the accuracy of existing or secondary data, or to substantiate a claim made by a lodging business owner subject to assessment in the SCTID, with the cooperation of Corporation; maintain confidentiality of certain City records as City deems appropriate;
- 4.5. Make reasonable efforts with the Finance Department to make changes or corrections to the reporting process for lodging businesses as needed;

4.6. Any of the actions by the City Manager's Office mentioned in this Section may require a written request from Corporation to conduct the investigation; additional related documentation, such as a written request from the affected lodging business owner, may also be required. All City Manager's Office costs associated with such supplemental investigations may be recovered from the SCTID assessments collected, subject to existing or future City policies and procedures regarding recoverable costs and expenses. Such costs will be in addition to those costs set forth in Section 7 of this Agreement.

5. RIGHT OF CITY TO INSPECT RECORDS OF CORPORATION

5.1. City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or Services provided under this Agreement, to audit the books and records of Corporation for the purpose of verifying any and all expenditures made by Corporation in connection with the Services rendered by Corporation under this Agreement. Corporation agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all expenditures made by Corporation in connection with the Services rendered by Corporation. Any expenses not so recorded shall be disallowed by the City. Corporation shall bear the cost of the audit if the audit determines that there has been a substantial non-recording of expenditures by Corporation.

5.2. Corporation shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Corporation agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Corporation's Services hereunder. Corporation shall turn over to City all records which demonstrate performance under this Agreement upon termination or completion of this Agreement.

6. DISBURSEMENTS

6.1. Based upon the assessments collected pursuant to the collection rate in the Management District Plan or Annual Reports, and with the exception of recoverable City Manager's Office costs and net of any Finance Department charges or City Administration Fees, City shall disburse to Corporation the actual revenues received from SCTID assessments. Assessment revenues shall be disbursed to the Corporation by City periodically throughout the year as close to the time such revenues are received by the Finance Department. The Assessment revenues will be collected on a quarterly basis or at the close of any shorter reporting period as established by the Director of Finance.

6.2. The City Manager's Office may withhold either all or some portion of the actual revenues received from assessments if the City Manager's Office finds that the Corporation is not properly administering its Annual Budget in accordance with the Annual Report and Section 3 (insofar as it requires Corporation to create an Annual Budget and expend funds pursuant to this Agreement, the Management District Plan and the Annual Report, and in compliance with the Act). The City Manager's Office will notify Corporation and set forth the specific problems and issues relative to the Corporation's failure to properly implement the improvements and activities stated in Section 3 of this Agreement, the Management District Plan, and the Annual Report. The

City Manager's Office and Corporation will immediately attempt to cure the problems if, at the City Manager's Office's discretion, a cure is appropriate. Funds will be released upon the implementation of an acceptable cure, subject to the approval of the City Manager's Office and possible modification of the disbursement schedule. This does not alter or diminish in any way City's right to proceed in a manner consistent with California Streets and Highways Code, Section 36670, or other applicable law, or to invoke other appropriate remedies, including termination of this Agreement.

6.3. If the Corporation is dissolved, dissolves itself, or no longer has non-profit status, prior to or upon the expiration of this Agreement, any unexpended monies will be immediately transmitted to City for distribution as described in Section 10 of this Agreement. Corporation will immediately notify the City Manager's Office of any such change in corporation status.

7. COSTS AND EXPENSES

7.1. Administration Fee. Per the Management District Plan, the Corporation shall pay the City a fee equal to two percent (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. The Administrative Fee will be deducted from the assessment funds the City will forward to the District quarterly.

7.2. Penalties and Interest. The Corporation shall reimburse the City for any costs associated with collecting unpaid assessments in accordance with the Management District Plan.

8. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit B, Corporation shall provide and maintain in full forces, at no cost to City, insurance policies set forth in Exhibit B.

9. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: City Manager's Office
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at manager@santaclaraca.gov

And to Corporation addressed as follows:

Silicon Valley/Santa Clara DMO, Inc.
Attention: Board of Directors
5001 Great America Parkway
Santa Clara, CA 95054
And by e-mail at DSCAdmin@discoversantaclara.org

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

10. REVENUES AND ASSETS OF THE DISTRICT

In the event the SCTID is disestablished, expires, or otherwise terminates, or the Corporation ceases to be a non-profit corporation, all remaining revenue, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, shall be refunded in the manner described in Section 36671 of the Act.

11. CONFLICT OF INTEREST

11.1. Corporation certifies that to the best of its knowledge, no City officer, employee, or authorized representative has any financial interest in the business of the Corporation and that no person associated with Corporation has any interest, direct or indirect, which could reasonably be expected to conflict with the faithful performance of this Agreement. Corporation is familiar with the provisions of California Government Code section 87100 and following and certifies that it does not know of any facts which would violate these code provisions. Corporation will advise City if a conflict arises.

11.2. For the duration of this Agreement, Corporation and its employees or agents will not act in a manner which is reasonably likely to create any SCTID-related conflict of interest. In particular, Corporation's Board of Directors and the Chief Executive Officer must disclose any material financial interest they have in any matter coming before them for decision. Any Board member, Chief Executive Officer or employee shall refrain from participating in the decision-making process relating to any matter in which they may have a material financial interest or conflict of interest.

11.3. Nothing in this Section prohibits or precludes Corporation's officers, members, directors, agents, or employees from providing or presenting to other interested parties or entities, information or assistance related to the SCTID's establishment or operations, or to the establishment or operation of other proposed or existing districts throughout the City, where such information or assistance does not create a conflict of interest or disclose confidential information. However, Corporation may not provide the services discussed in Section 3 of this Agreement to any other Business Improvement District unless the bylaws of both Corporations are amended to permit the provision of such services.

12. ASSIGNMENT AND SUBCONTRACTING

City and Corporation bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Corporation shall not hire subcontractors without express written permission from City, which permission will not be unreasonably withheld or delayed. Corporation shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Corporation is for the acts and omissions of persons directly employed by it.

13. GENERAL FUND NOT LIABLE

Neither the General Fund of City, nor any other fund, revenue source or monies whatsoever of City, except for the actual collected SCTID Assessment net revenue, shall be liable for payment of any obligations arising from this Agreement. Said obligations are not a debt of City, nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon its income, receipts, or revenues.

This Agreement embodies all of Corporation's reimbursement rights and no promissory note or other document shall be required to be executed by City in connection therewith.

14. CORPORATION NOT AGENT OF CITY

Neither Corporation or any of Corporation's employees, agents, representatives, or subcontractors are or shall be considered to be agents of City, nor shall Corporation be considered a legislative body, relative to the performance of Corporation's obligations under this Agreement or for any other purpose.

15. TERMINATION

15.1. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than sixty (60) days prior written notice to Corporation. Upon receipt of said notice, Corporation shall immediately take action not to incur any additional obligations, cost, or expenses, except as may be reasonably necessary to terminate its activities. City shall pay Corporation its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by Corporation to effect such termination. Thereafter, Corporation shall have no further claims against City under this Agreement.

15.2. City shall have the right to suspend this Agreement immediately with written notice to the Corporation in the event City determines that misappropriation of funds, malfeasance, or other violations of law have occurred in connection with Corporation's management of the SCTID. City retains the right to immediately commence disestablishment proceedings in accordance with Streets and Highways Code Section 36670, which states in pertinent part that "[a]ny district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council... [i]f the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment." Streets and Highways Code § 36670(a)(1). In addition, City may seek all other available appropriate remedies pursuant to law. Corporation will have 10 business days to respond in writing to City's notice of suspension and begin a dispute resolution process.

15.3. Further notwithstanding the foregoing, City may immediately terminate this Agreement if Corporation ceases to be a non-profit or if a federal or state proceeding for relief of debtors is undertaken by or against Corporation, or if Corporation makes an assignment for the benefit of creditors.

15.4. In the event City terminates this Agreement as provided in this Section, City may procure upon such terms and in such manner as City may deem appropriate, services

similar in scope and level of effort to those terminated, and Corporation shall be liable to City for all its direct costs and damages, including, but not limited to, any excess costs for such services.

15.5. All documents and materials produced or procured by Corporation pursuant to its performance under this Agreement, including the Management District Plan or the Act shall become City property upon date of such termination.

15.6. The rights and remedies of this Agreement are not exclusive and are in addition to any other rights or remedies provided by law or under this Agreement.

16. BROWN ACT AND PUBLIC RECORDS ACT

16.1. The Board of Directors of the Corporation is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.

16.2. Notwithstanding Section 16.1 above, the Board of Directors of the Corporation, when hearing, discussing, deliberating, and taking actions on matters within the subject matter of the SCTID will comply with the provisions of the Ralph M. Brown Act (Chapter 9, commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code).

16.3. Notwithstanding Section 16.1 above, Corporation and the Board of Directors are also subject to and must comply with the California Public Records Act (Chapter 3.5, commencing with Section 6250 of Division 7 of Title 1 of the Government Code).

17. SEVERABILITY

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

18. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San José, California.

19. AMENDMENT

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

20. EXCUSABLE DELAYS

In the event that performance on the part of any Party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said Party, none of the Parties shall incur any liability to the other Parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the

Parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires, floods; pandemics; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation, to the extent that they are not caused by the Party's willful or negligent acts or omissions, and to the extent that they are beyond the Party's reasonable control.

21. WAIVER

Corporation agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

22. INDEPENDENT CONTRACTOR

Corporation and all person(s) employed by or contracted with Corporation to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Corporation has full rights to manage its employees in their performance of Services under this Agreement.

23. FAIR EMPLOYEMENT

Corporation shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state, or local law.

24. COMPLIANCE WITH LAWS

Corporation shall comply with all applicable laws and regulations of the federal, state, and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Corporation's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), and Business Tax Certificate (SCCC section 3.40.060), as such Chapters or Sections may be amended from time to time or renumbered. Additionally, Corporation has read and agrees to comply with City's Ethical Standards (<http://santaclaraca.gov/home/showdocument?id=58299>).

25. HOLD HARMLESS/INDEMNIFICATION

25.1. To the extent permitted by law, Corporation agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all reasonable costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Corporation pursuant to this

Agreement – including claims of any kind by Corporation’s employees or persons contracting with Corporation pursuant to this Agreement – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited. The City shall provide prompt notice to Corporation of any third-party claim or action for which it will seek indemnification from Corporation hereunder and provide Corporation with the opportunity to defend such claim or action with attorneys it selects. If Corporation does not exercise its right to defend such claim or action, then the City shall do so, but the City shall not settle any claim or action for which it will seek to be indemnified by Corporation hereunder without first obtaining the written consent of Corporation, which consent will not be unreasonably withheld or delayed.

25.2. Corporation’s obligation to protect, defend, indemnify, and hold harmless in full City and City’s employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors, or other agents of Corporation, against City (either alone, or jointly with Corporation), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

25.3. To the extent Corporation is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act (“Act”) and/or any other similar federal or state law, Corporation warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Corporation’s responsibilities under the Act.

26. WARRANTY

Corporation expressly warrants that all materials and services covered by this Agreement shall be completed in a manner consistent with professional standards practiced among those firms within Corporation's profession, doing the same or similar work under the same or similar circumstances. Corporation agrees to promptly replace or correct any incomplete, inaccurate, or defective work at no further cost to City when defects are due to the negligence, errors, or omissions of Corporation. If Corporation fails to promptly correct or replace services, City may make corrections or replace materials or services and charge Corporation for the cost incurred by City.

27. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument. Electronic copies of signed signature pages transmitted electronically by any Party to the other Party either by facsimile or via the Internet (e.g., in a “pdf” or “tif” format data file or comparable format) will be deemed binding originals for all purposes and will be deemed delivered for all purposes when any such copies are received by the other Party.

Approved as to Form:

Dated: _____

Office of the City Attorney

RAJEEV BATRA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“City”

Dated: _____

By (Signature): _____

Name: Eron Hodges

Title: Board of Directors Chair

Principal Place of Business Address: 5001 Great America Parkway
Santa Clara, CA 95054

Email Address: ehodges@discoversantaclara.org

Telephone: (408) 748-7095

“Corporation”

DRAFT

**EXHIBIT A
PERFORMANCE INDICATORS**

A. KEY PERFORMANCE INDICATORS (KPIs)

Corporation shall be responsible for performing destination sales and marketing activities that increase visitation, group activity at the Convention Center, room night consumption, and the economic impact associated with increased tourism activity in Santa Clara. This Exhibit A defines the KPIs to measure the Corporation's performance and the weighted percentage assigned to each KPI ("Weighted Percentage").

1. **Event Mix.** Optimization indicates how effectively the physical space at the Convention Center is utilized. A Center optimization exercise shall be completed by Corporation to determine the target mix of convention/meeting types (P1, P2, P3, etc.) intended to maximize financial and economic results for the City. Corporation shall be evaluated on its rate of success in meeting annual event mix targets for P1 and P2 events. The assigned Weighted Percentage for this category is 10%.
2. **Number of Definite Events.** A "definite" event is a future event confirmed with a signed executed contract between an authorized agent of the event organizer and the Convention Center and at least one TID lodging business for event room blocks. Corporation shall be evaluated on its rate of success in meeting the target number of definite P1 and P2 events booked in the year for future years. The assigned Weighted Percentage for this category is 15%.
3. **Convention Center Gross Revenue.** It is expected that P1 and P2 events generate a certain level of gross revenue at the Convention Center. Corporation shall be evaluated on its rate of success in meeting Convention Center revenue projections for P1 and P2 consumed events (events took place in the current year). The assigned Weighted Percentage for this category is 15%.
4. **Number of Room Nights Booked.** The Corporation shall be evaluated on its rate of success in meeting the target number of room nights booked for future year P1 and P2 events at Santa Clara lodging businesses. The assigned Weighted Percentage for this category is 10%.
5. **Number of Room Nights Consumed.** The Corporation shall be evaluated on its rate of success in meeting the target number of total number of rooms occupied at Santa Clara lodging businesses for P1 and P2 events. The assigned Weighted Percentage for this category is 5%.
6. **Number of Weeks Impacted**
Defined as the number of weeks throughout the year where a P1 event, citywide or a combination of events positively impacts the host destination's local economy. Corporation shall be evaluated on its rate of success in meeting target number of weeks impacted in the year. The assigned Weighted Percentage for this category is 15%.
7. **Customer Service Survey Results**
Customer service satisfaction surveys shall be administered by a third-party administrator to Convention Center meeting planners, clients, and attendees. The survey instrument shall

measure the overall customer satisfaction with the Corporation's performance in providing services and survey results shall be provided directly to City. City shall establish the target overall satisfaction rating with Corporation and the Corporation shall be evaluated on its rate of success on meeting the target rating. The assigned Weighed Percentage for this category is 10%.

8. **Prospects.** Prospects are potential customers who has been contacted and have been qualified by the sales team as having desirable criteria for an event in Santa Clara such as: size of event fits in the venue, there is a history of hotel needs that can be provided by Santa Clara hotels, and they have expressed interest in holding an event in Santa Clara. Corporation shall be evaluated on its rate of success on meeting the target number for new prospects. Corporation shall also be evaluated on the prospect conversion rate which will be based upon industry conversion averages. The total assigned Weighted Percentage for this category 15%.
9. **Economic Impact.** Economic impact is the amount of additional direct spending that occurs in the community by out of town and local attendees of events at the Convention Center. Corporation shall be evaluated on its rate of success on meeting the target economic impact goal for P1 and P2 events. The assigned Weighted Percentage for this category is 5%.

B. KPI SCORECARD

Corporation shall achieve a minimum aggregate Scorecard of 85 points (85%) annually. The points for attainment of targets within each category are calculated on a proportionate basis. The City shall meet monthly with Corporation to monitor and assess the Corporation's progress toward achievement of the performance goals, including review of sales and marketing activity.

Example Calculation of Performance Measures

Key Performance Indicator	Target	Actual	% Success Rate	Weight	Score
Event Mix	-	-		10%	6.29
Number of P1 events	3	2	40.00%	5%	2.00
Number of P2 events	7	6	85.71%	5%	4.29
Number of Definite Events	5	4	80%	15%	12.00
Convention Center Revenue	\$4 million	\$3.75 million	93.75%	15%	14.06
Number of Room Nights Booked	10,000	8,500	85%	10%	8.50
Number of Room Nights Consumed	12,000	9,250	77.08%	5%	3.84
Number of Weeks Impacted	4	2	50%	15%	7.50
Customer Service Survey Results	85%	88%	103.5%	10%	10.35
Prospects	-	-		15%	17.06
Prospects	100	130	130%	15%	19.50
Economic Impact	\$2 million	\$1.8 million	82.5%	5%	4.13
Scorecard Total					86.17

EXHIBIT B
INSURANCE REQUIREMENTS

Without limiting the Corporation's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Corporation shall provide and maintain in full force and effect during the period of performance of the Agreement and for twenty-four (24) months following acceptance by the City, at its sole cost and expense, the following insurance policies from insurance companies authorized to do business in the State of California. These policies shall be primary insurance as to the City of Santa Clara so that any other coverage held by the City shall not contribute to any loss under Corporation's insurance. The minimum coverages, provisions and endorsements are as follows:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

\$1,000,000 Each Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Corporation; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Corporation to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits¹;
 - b. There shall be no cross-liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made, or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned (if any), non-owned and hired autos.

¹ This requirement may make it difficult for Corporation to obtain such insurance. The DMO should confirm that such a policy type is available and obtain a premium cost estimate for such a policy.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Corporation included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation, or benefit payable by or for Corporation or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s), or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers, and agents.

D. PROFESSIONAL LIABILITY

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against negligent acts, errors, or omissions of the Corporation. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per claim or two million dollars (\$2,000,000) aggregate. Any coverage containing a deductible or self-retention must first be approved in writing by the City Attorney's Office.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers, and agents are hereby added as additional insureds in respect to liability arising out of Corporation's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85, or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Corporation shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Corporation's insurance.
3. Cancellation.
 - a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given

to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

- b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.
4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Corporation and City agree as follows:

1. Corporation agrees to ensure that subcontractors, and any other party involved with the Services is not an employee of Corporation, and who is brought onto or involved in the performance of the Services by Corporation, provide the same minimum insurance coverage required of Corporation, except as with respect to limits. Corporation agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Corporation agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
2. Corporation agrees to be responsible for ensuring that no contract used by any party involved in any way with the providing Services reserves the right to charge City or Corporation for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
3. The City reserves the right to withhold payments from the Corporation in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Corporation, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this

Agreement. Corporation shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Corporation or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Corporation shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.
City of Santa Clara City Manager's Office
P.O. Box 100085 – S2
Duluth, GA 30096

Telephone number: 951-766-2280
Fax number: 770-325-0409
Email address: ctsantaclara@ebix.com

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Corporation shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.