



DISCOVER SANTA CLARA®
BOARD OF DIRECTORS
SPECIAL MEETING AGENDA

October 1, 2024, 12:00 p.m.
Santa Clara Convention Center, Grand Ballroom H
5001 Great America Parkway
Santa Clara, CA 95050

The public can participate remotely via Zoom:

<https://us06web.zoom.us/j/81647305256?pwd=6F85hCefx3Vx6YMY1bBVhbonDqLzbM.1> or by phone at (699) 900 6833.

Meeting ID: 816 4730 5256

Passcode: 710576

CALL TO ORDER

Chair Lentz called the meeting to order at 12:11 p.m.

ROLL CALL

Present: 5 Chair Catherine Lentz, Forty-Niners Stadium Management Company
Vice-Chair & Treasurer Kelly Carr, OVG360
Member Lorne Ellison, Levy Restaurants
Member Barb Granter, California's Great America
Member Erin Henry, Hyatt Santa Clara

Secretary Christine Lawson, Discover Santa Clara® (Ex-Officio)

Absent: 2 Member Billy Moreno, Delta Silicon Valley
Member Nadine Nader, City of Santa Clara

Member Chuck Baker, City of Santa Clara (Ex-Officio) (arrived at 12:24 p.m.)

Staff: Nancy Thome, City of Santa Clara

A quorum of 5 was met.

PUBLIC COMMENT

For public comment on items on the agenda that are within the subject matter jurisdiction of the Board.

There were no public comments.

CONSENT AGENDA

Matters listed in the Consent Agenda section will be considered routine by the Board and will be enacted by one motion. There will be no separate discussion of the items on the Consent Calendar unless the discussion is

requested by a member of the Board, 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.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

This item is reserved for persons to address the Board on any matter not on the agenda that is within the subject matter jurisdiction of the Board. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The Board or staff may briefly respond to statements made or questions posed and may request staff to report back at a subsequent meeting.

There were no public presentations.

GENERAL BUSINESS – ITEMS FOR DISCUSSION

1. Discussion and Action on the Discover Santa Clara® FY 2023/24 Annual Report.

Recommendation: Approve the Discover Santa Clara® FY 2023/24 Annual Report.

CEO Lawson provided an overview of the FY 2023/24 Annual Report.

Member Baker arrived at 12:24 p.m.

A motion was made by Member Granter, seconded by Vice-Chair/Treasurer Carr to approve the Discover Santa Clara® FY 2023/24 Annual Report.

Ayes: 5 Chair Lentz, Vice-Chair/Treasurer Carr, Member Ellison, Member Granter, Member Henry

Absent: 2 Member Moreno, Member Nader

2. Update from Kenn Lee, City of Santa Clara Director of Finance, on the Implementation of the Voter-Approved Transient Occupancy Tax (TOT) Increase.

Kenn Lee, City of Santa Clara Director of Finance provided an update on the implementation of the voter-approved Transient Occupancy Tax (TOT) Increase.

COMMITTEE UPDATES

GENERAL ANNOUNCEMENTS

ADJOURNMENT

The meeting adjourned at 12:50 p.m. The next regularly scheduled meeting is on **October 17, 2024.**

POST-MEETING MATERIAL

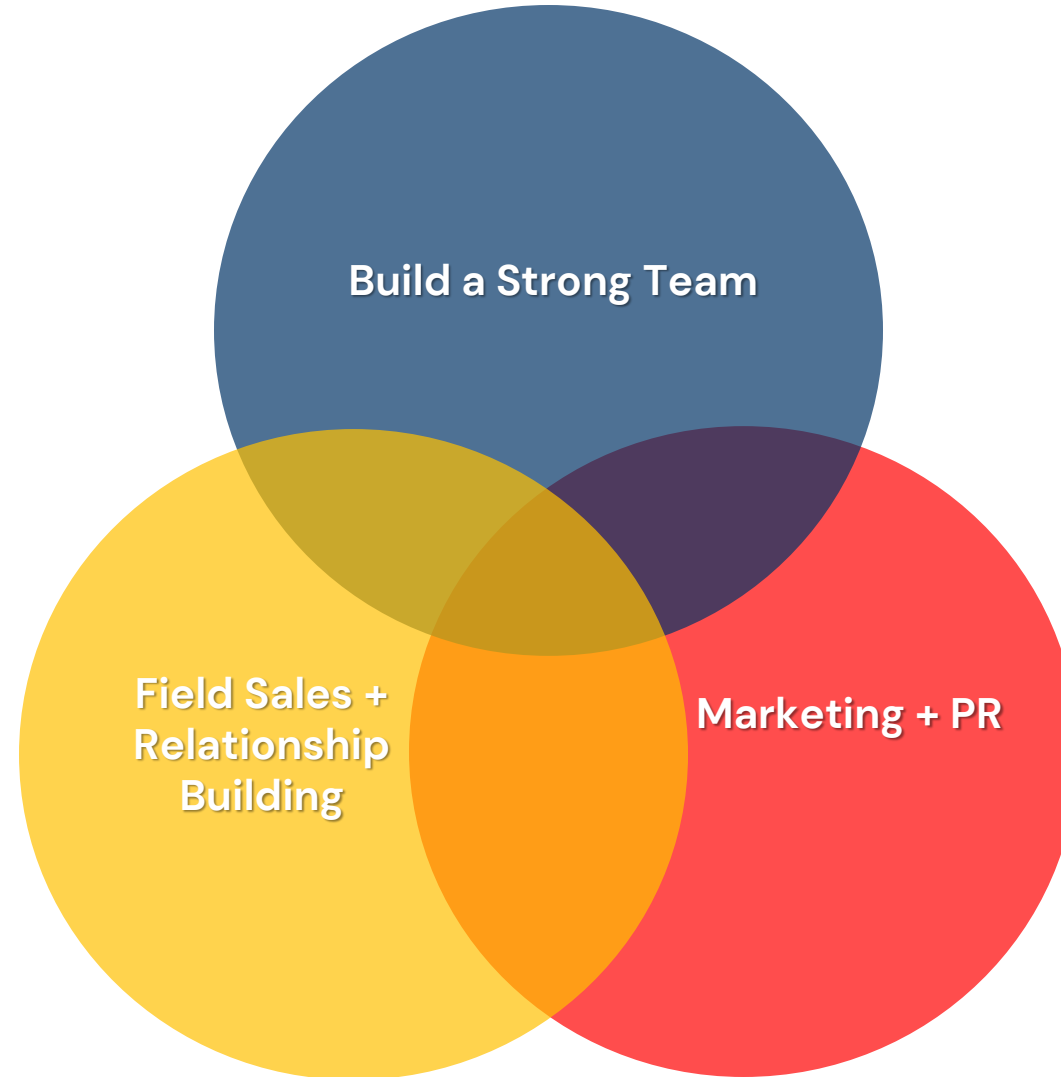
FY 2023/24 Annual Report Presentation

**Board of Directors Special Meeting
October 1, 2024**



FY 2023/24 Year in Review

FY 2023/24 Key Focus Areas



Challenges, Successes & Future Priorities

- **FY 2023/2024 Challenges:**
 - DMO team turnover and open positions.
 - Competitive landscape.
- **FY 2023/24 Successes:**
 - Sales leadership in place, with some critical positions filled.
 - Progress in booking citywide business.
 - Strong marketing presence and foundational project work in process.
- **FY 2024/25 Future Priorities:**
 - Optimize Sales & Marketing operations and reporting.
 - Strengthen Sales structure and enablement processes to build brand credibility within the meeting planning community.
 - Drive account penetration and preferred partnership growth.
 - Implement components of the Omnichannel Marketing Ecosystem project.
 - Populate owned channels with rich, relevant content.
 - Expand Marketing foundation with enhanced public relations, communications strategy, and securing an Agency of Record (AOR).
 - Fortify the DMO's administrative Standard Operating Procedures (SOPs) framework.



Year in Review Key Accomplishments

Key Accomplishments – Convention Sales

- Optimized sales structure with the hiring of Director of Sales and Sales Manager roles.
- Developed a strategic sales deployment plan and lead management process to target key markets.
- Actively participated in 20 key industry tradeshows and conferences, focusing on corporate groups, meetings, associations, and the sports sector.
- Established preferred partnerships with organizations like ConferenceDirect, HelmsBriscoe, U.S. Travel Association, San Francisco Travel, and PCMA to enhance city exposure and lead generation.
- Partnered with Baronfeld Consulting Group to maintain strong prospecting momentum.
- Hosted client events and high-profile site inspections to secure citywide groups.
- Hosted monthly SCTID General Manager and bi-monthly Directors of Sales meetings.
- Strengthened relationships with the Bay Area Host Committee and FIFA World Cup for 2026 special events.

Key Accomplishments – Marketing

- Selected Madden Media through a thorough RFP process to launch our Omnichannel Marketing Ecosystem project.
- Completed a photo and video shoot to create a high-quality media library, including sizzle reels to promote Santa Clara.
- Finalized the Statement of Work and wireframe for the new DMO website, launching in January 2025.
- Advanced development on Santa Clara’s first Visitor’s Guide, set for a February 2025 release.
- Published 32 high-performing blogs that boosted website traffic by highlighting diverse city content for key markets.
- Partnered with social media influencers, launching campaigns and hosting Influencer Parties to increase exposure.
- Achieved triple-digit year-over-year growth in impressions and followers across LinkedIn, Meta, and Instagram through targeted social media efforts.
- Worked with sales to develop a robust inventory of compelling sales collateral and tools.
- Gained valuable exposure through participation in industry panels and media interviews highlighting city-specific events.

Key Accomplishments – Administration

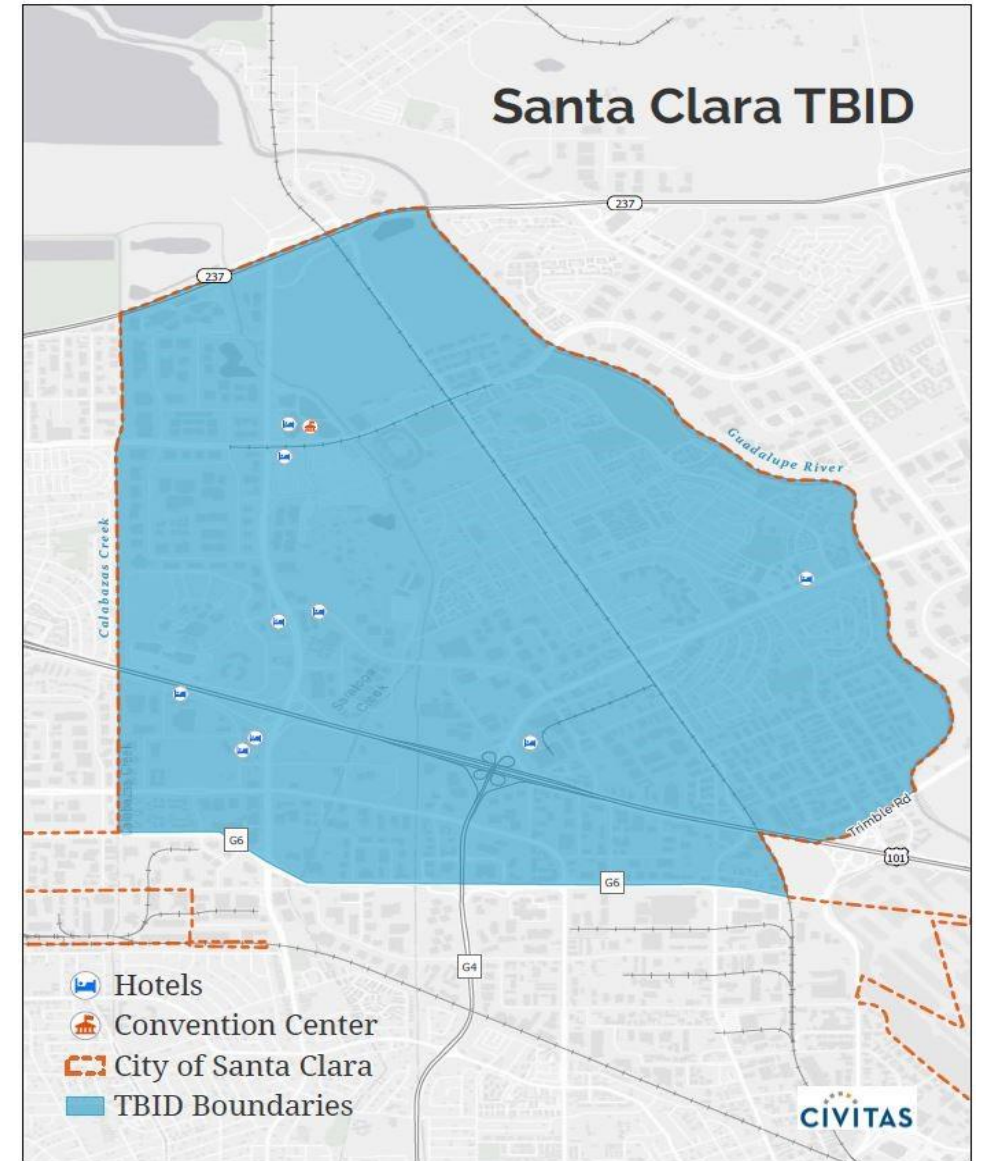
- The team collaborated to create a DMO Culture Statement that reflects our values and philosophy.
- Completed and distributed the DMO's FY 2023/24 Q1 – Q3 Recaps and Annual Report.
- Closed FY 2023/24 seamlessly, expending 82% of the total \$3,052,730 budget, projecting \$2,505,019 in expenditures resulting in a balance of \$547,711.
- Role-specific goals were created and communicated to ensure team member alignment and focus on success.
- Completed the FY 2024/25 Operating Budget, approved by the Board of Directors on May 16, 2024.
- Collaborated with Krisch & Co. and City representatives to develop Financial SOPs, approved by the Board of Directors in January 2024.
- Partnered with CPS HR Consulting to implement an innovative review process, with quarterly and annual reviews fostering continuous improvement.



SCTID Boundary

SCTID Boundary

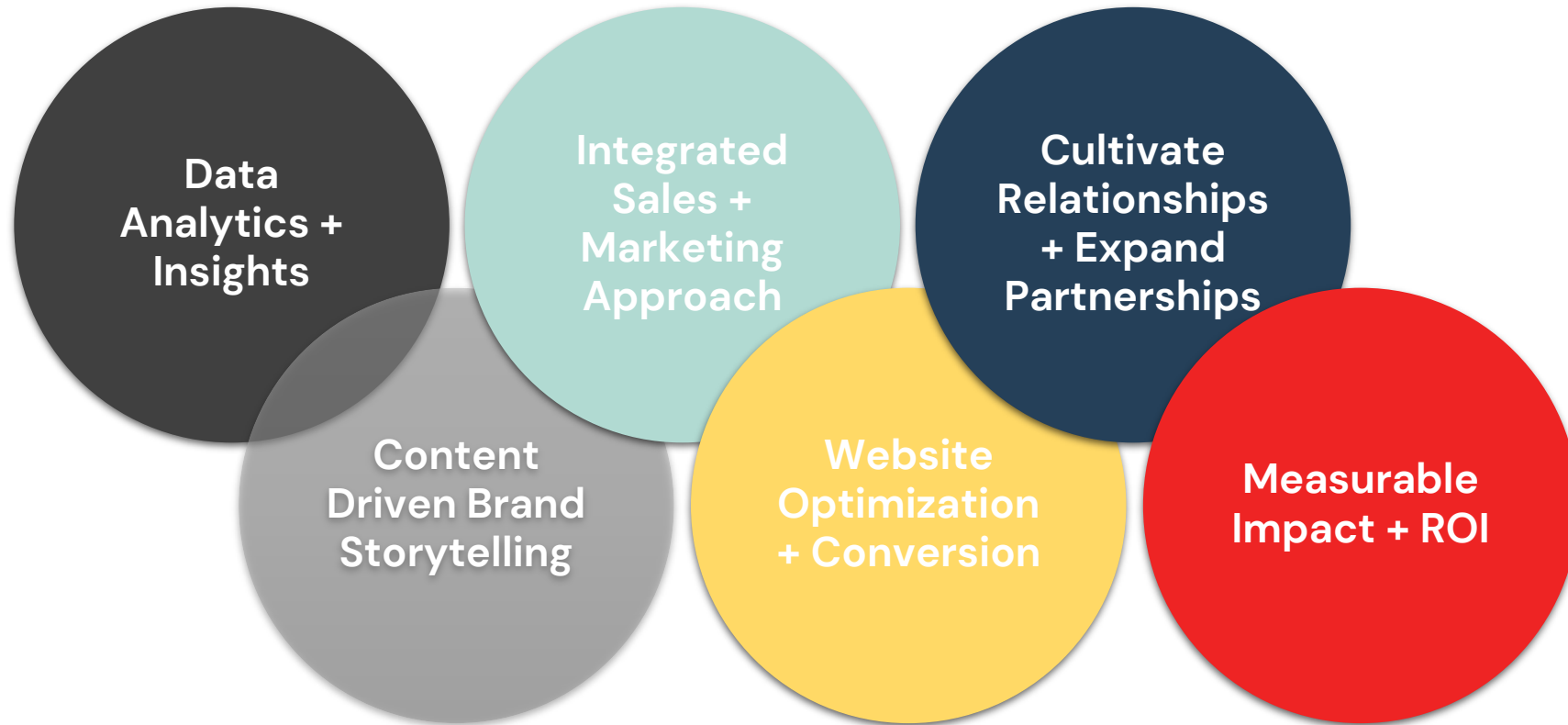
- The Santa Clara Tourism Improvement District (SCTID) will encompass all lodging businesses with ten (10) or more rooms, both existing and future, that are available for public occupancy within a specified portion of the city of Santa Clara.
- The boundary currently includes eleven (11) lodging businesses.
- There are no proposed changes to the boundaries of the SCTID.
- One of our SCTID hotel partners has undergone a change in ownership. The Avatar Hotel reopened in May 2024 as a Tapestry Collection by Hilton property, now located at 4200 Great America Pkwy, Santa Clara, CA 95054.



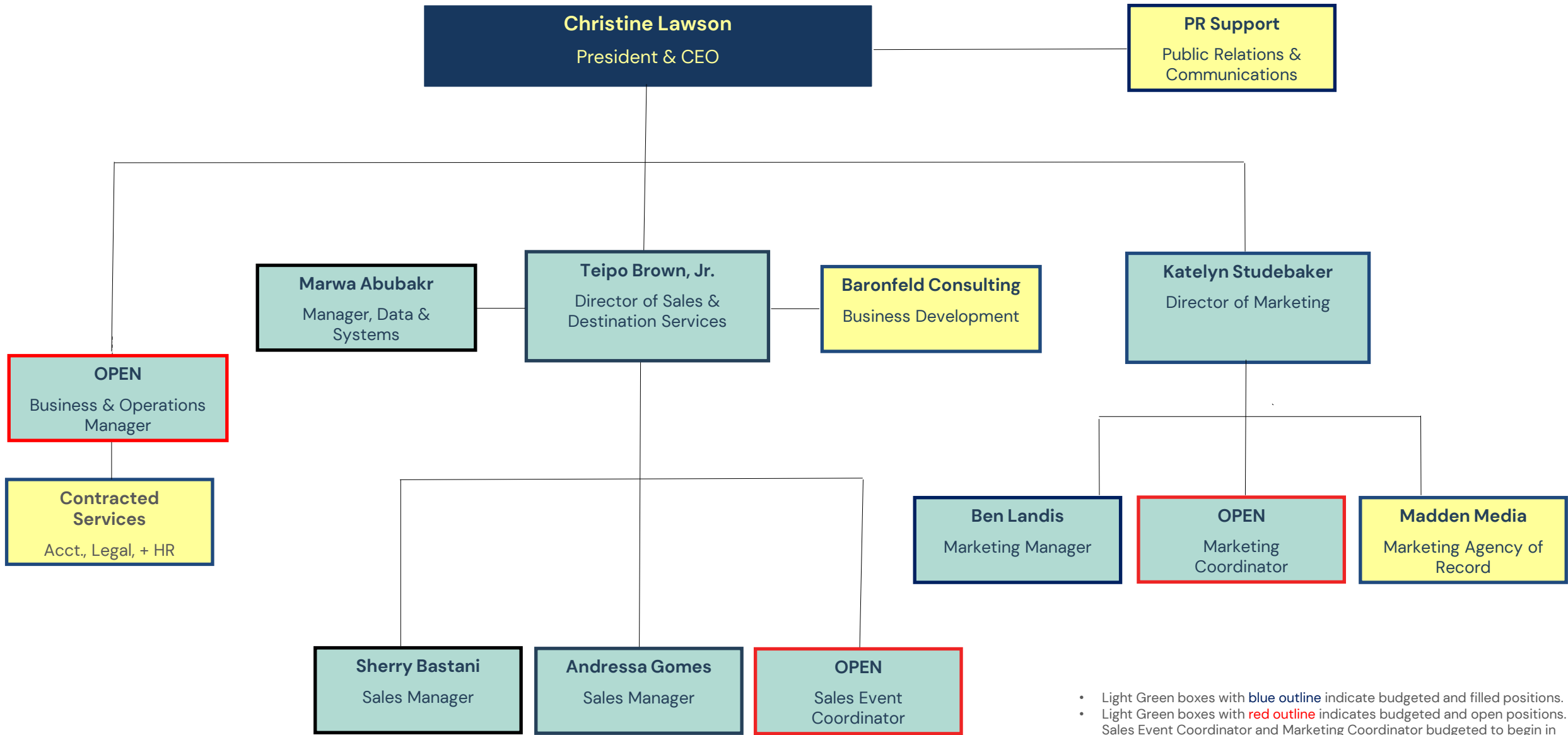


FY 2024/25 Improvements + Activities

FY 2024/25 Key Areas of Focus



FY 2024/25 Adopted Organizational Structure



- Light Green boxes with blue outline indicate budgeted and filled positions.
- Light Green boxes with red outline indicates budgeted and open positions. Sales Event Coordinator and Marketing Coordinator budgeted to begin in January FY 2024/25.
- Yellow boxes represent DMOs Agencies of Record and/or outside contractors.

- Strengthen sales processes and structure to reinforce our brand narrative and credibility within the meeting planning community.
- Prioritize deepening relationships with existing accounts and preferred partnerships to unlock new business opportunities.
- Develop and Implement a robust local and regional market penetration strategy.
- Leverage targeted tradeshows and sales trips to enhance client engagement, exposure, and lead generation.
- Ensure unified team execution for major 2026 events and future community planning.
- Collaborate with data partners to strategically evolve DMO reporting.
- Work with OVG and Levy to expand DMO's booking scope to include P3 groups alongside P1 and P2s.

- Relaunch the new website by January 2025.
- Publish and distribute the inaugural Santa Clara Visitors Guide by February 2025.
- Onboard an Agency of Record to develop our PR and Communications strategy and strengthen the existing marketing foundation.
- Foster continued collaboration with our partnerships and the community.
- Streamline marketing operations and processes for efficiency and improved reporting.
- Continue populating owned digital platforms with rich, relevant content.
- Deepen existing relationships with key social media influencers to further enhance visibility for the City and its partners.

- Hire a skilled Business & Operations Manager.
- Develop financial processes aimed at achieving the DMO's financial independence.
- Fortify the DMO's administrative SOP framework.
- Explore and integrate essential systems to enhance, empower, and elevate the DMO.
- Implement a comprehensive onboarding process and ongoing training for the Board of Directors.

FY 2023/24 Financials

FY 2023/24 Financials

Income	Budget	Actuals
SCTID Assessment	\$2,200,000	\$3,126,078
Other Revenue	\$66,000	\$66,000

FY 2023/24 Expenditures	Budget	Actuals	Balance
CONVENTION SALES, INCENTIVES & SERVICES	\$1,188,331	\$861,552	\$326,779
MARKETING & COMMUNICATIONS	\$818,578	\$777,712	\$40,866
ADMINISTRATION	\$935,821	803,234	\$132,587
CONTINGENCY	\$66,000	\$0	\$66,000
CITY ADMINISTRATION FEE	\$44,000	\$62,522	(\$18,522)
TOTALS	\$3,052,730	\$2,505,020	\$547,710

FY 2023/24 Expenditures	Budget	Actuals	Balance
RESERVE FUND	\$1,193,469	\$0	\$1,193,469



Key Performance Indicators (KPIs)

Key Performance Indicators

Silicon Valley/Santa Clara DMO Inc.			
Performance Measures			
	2023/24 Target	2023/24 Actuals	2024/25 Target
1. Event Mix (Consumed)			
<u>Percent of P1 Events</u>	0.5%	0.5%	1.0%
Number of P1 Events	1	1	2
<u>Percent of P2 Events</u>	1.0%	0%	2.0%
Number of P2 Events	2	0	4
2. Number of Definite Events Booked (Booked in the year for future years)			
Number of P1 Events	2	0	2
Number of P2 Events	4	3	4
3. Convention Center Gross Revenue (P1 + P2 events)	\$800,000	\$1,076,019	\$1,900,000
4. Number of Room Nights Booked (For future years)	4,506	4,380	6,197
5. Number of Room Nights Consumed	2,253	2,622	4,506
6. Number of Weeks Impacted (Consumed)	2	1	2
7. Customer Service Survey Results (Overall satisfaction)	85%	N/A	85%
8. <u>Number of Prospects (active) (non-cumulative P1 + P2 events)</u>	140	35	140
9. <u>Economic Impact (Consumed P1 + P2 events)</u>	\$2,745,582	\$1,923,730	\$5,491,164



Cost + Carryover

FY 2024/25 Budget + Cost per Program

BUDGETED COST BY PROGRAM	FY 2024/25 Adopted	% of Budget
CONVENTION SALES, INCENTIVES & SERVICES	\$1,711,115	48.0%
MARKETING & COMMUNICATIONS	\$864,246	24.2%
ADMINISTRATION	\$860,035	24.1%
CONTINGENCY	\$78,000	2.2%
CITY ADMINISTRATION FEE	\$52,000	1.5%
TOTAL OPERATING BUDGET	\$3,565,396	100%

FY 2023/24 Budget + Carryover

Category	% of TID Estimate	FY 2024/25 Assessment Estimate	% Change from previous year	Other Revenue	Carryover	FY 2024/25 Operating Budget
CONVENTION SALES, INCENTIVES & SERVICES	40%	\$1,040,000	0.00%	\$0	\$671,115	\$1,711,115
MARKETING & COMMUNICATIONS	22%	\$572,000	2.00%	\$66,000	\$226,246	\$864,246
ADMINISTRATION	33%	\$858,000	-2.00%	\$0	\$2,035	\$860,035
CONTINGENCY	3%	\$78,000	0.00%	\$0	\$0	\$78,000
CITY ADMINISTRATION FEE	2%	\$52,000	0.00%	\$0	\$0	\$52,000
TOTALS	100%	\$2,600,000		\$66,000	\$899,396	\$3,565,396



Surplus + Other Funding

Surplus + Other Funding

Category	Carryover
CONVENTION SALES, INCENTIVES & SERVICES	\$671,115
MARKETING & COMMUNICATIONS	\$226,246
ADMINISTRATION	\$2,035
Reserve Fund	\$1,426,158
Unallocated	\$2,319,872
TOTAL	\$4,645,426

Other Funding to support marketing efforts

- OVG 360 = \$36,000
- Levy = \$30,000

Q+A



DMO Meeting

Implementation of the Voter-Approved TOT Rate Increase

October 1, 2024

TOT Ballot Measure

In November 2020, 73.57% of Santa Clara voters approved a ballot measure, to increase the Transient Occupancy Tax (TOT) rate by up to a total of 4%

Transient Occupancy Tax Rates. To maintain and protect the level of essential city services including 9-1-1 emergency medical/disaster preparedness, police and fire protection, bicycle and pedestrian safety, roadways and storm drains, and other vital services including parks, recreation, libraries and senior services, shall a measure increasing the hotel tax rate up to 4%, generating up to approximately 7 million dollars annually, paid only by hotel/motel guests, until ended by voters, be adopted?



Phased Implementation

- Due to COVID impacts, voter-approved TOT rate increase has been phased in over several years
- Phased Implementation of TOT Rate Increase
 - ⌘ TOT rate increased by two percentage points effective January 1, 2022 (from 9.5% to 11.5%)
 - ⌘ TOT rate increased by one percentage point effective January 1, 2024 (from 11.5% to 12.5%)
 - ⌘ **Proposed TOT rate increase:** one percentage point increase effective January 1, 2025 (from 12.5% to 13.5%); this increase was assumed in the FY 2023/24 and FY 2024/25 Adopted Budget and completes the phase in of the TOT increase approved by the voters

TOT Rate Comparison

Cities (Santa Clara County)	TOT Rate
Gilroy	9.0%
Mountain View	10.0%
San Jose	10.0%
Saratoga	10.0%
Morgan Hill	11.0%
Los Gatos	12.0%
Sunnyvale	12.5%
Santa Clara (w/proposed increase)	13.5%
Los Altos	14.0%
Milpitas	14.0%
Palo Alto	15.5%



City of Santa Clara Budget Challenges

FY 2025-2035 General Fund Ten-Year Financial Forecast
\$ in millions

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Projected Revenues	\$297.4	\$309.9	\$321.6	\$333.8	\$346.6	\$360.2	\$373.9	\$388.4	\$403.2	\$418.8	\$434.9
Projected Expenditures	\$298.3	\$315.9	\$333.5	\$348.5	\$364.9	\$378.3	\$393.2	\$404.0	\$418.6	\$432.5	\$448.9
(Shortfall)/ Surplus	(\$0.9)	(\$6.0)	(\$11.9)	(\$14.7)	(\$18.3)	(\$18.1)	(\$19.3)	(\$15.6)	(\$15.4)	(\$13.7)	(\$14.0)

- Transient Occupancy Tax important component of the City’s budget balancing actions
- Helped balance FY 2024/25 budget; January 2025 increase assumed in the Forecast to help address shortfalls
- Structural deficit remains, future budget actions will continue to address budget challenges

Questions and Answers



**City of
Santa Clara**
The Center of What's Possible