



**SANTA CLARA TOURISM IMPROVEMENT DISTRICT
MEETING MINUTES**

March 23, 2023, 3:00 PM

Hyatt Regency

Bayshore Meeting Room located on the 2nd Floor

5101 Great America Parkway

Santa Clara, CA 95054

CALL TO ORDER

Chair Hodges called the meeting to order at 3:04 p.m.

ROLL CALL

Present: 4 Eron Hodges, Hyatt Regency
 Farshad Mayelzadeh, Hilton Santa Clara
 Sean Steenson, Delta Hotel by Marriott Santa Clara Silicon Valley
 Chris Sullivan, Marriott Santa Clara

Absent: 7 Miriam Arreola, Avatar Hotel Santa Clara
 Bridgette Burns, TownePlace by Marriott
 Kevin Dominguez, Element Santa Clara
 Justin Hart, AC Hotel Santa Clara
 Nicole Hausner, Embassy Suites Santa Clara-Silicon Valley
 Kevin Hurley, Hyatt House Santa Clara
 Fernando Vasquez, Hyatt Centric Silicon Valley

Quorum not met.

In Attendance:

Beverly Corriere, Discover Santa Clara®
Christine Lawson, Discover Santa Clara®
Christopher Hamilton, Levy Restaurants
Ruth Mizobe Shikada, City of Santa Clara
Nancy Thome, City of Santa Clara
Dan Fenton, JLL

PUBLIC COMMENT

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

No public comment.

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 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.

1. Action on the Minutes of:

- Santa Clara Tourism Improvement District – January 26, 2023
- Santa Clara Tourism Improvement District – February 23, 2023

Recommendation: Note and file the Minutes of the Santa Clara Tourism Improvement District, January 26, 2023, and February 26, 2023.

There was no action taken as there was no quorum.

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.

GENERAL BUSINESS – ITEMS FOR DISCUSSION

2. Briefing from Kenn Lee, Finance Director – City of Santa Clara Financial Outlook and Proposed FY 2023/24 Operating Budget

Kenn Lee gave a briefing on the City of Santa Clara’s financial outlook and proposed FY 2023/24 Operating Budget. The General Fund structural deficit is significantly resolved with a reduction of the deficit from \$27 million to \$9 million. The next steps in budget development includes a budget-balancing three-pronged approach to solving the ongoing General Fund deficit. The proposed Operating Budget includes identifying new revenue streams, future economic growth of one-time funds, and potential reductions in positions and/or services. The public hearing and adoption of the proposed FY 2023/24 Operating Budget will be held on June 27, 2023.

3. Review of Discover Santa Clara® January 2023 Financial Report

Kelly Carr reported on the January 2023 financials and explained the variances. CEO Lawson explained that the DMO is at 30% of the annual budget.

4. Booking Strategy Update

CEO Lawson reported on the booking strategy discussion that began in November 2022. In consideration of the P1/P2 business that is not coming in, the DMO must consider how to temporarily lower the thresholds with the goal to maximize revenue. The revised booking policy was sent out to the TID members, Levy restaurants, and OVG360 for input and feedback was received. The DMO Board of Directors approved the revised booking policy on March 16, 2023. Chair Hodges added that the Hyatt Regency has a different lease agreement for the Grand Ballroom. Ruth Shikada clarified that the Grand Ballroom acts like an extension of the hotel. An accommodation may happen if the Hyatt Regency has lower priority business booked and a P1 wants to book the Grand Ballroom.

5. Super Bowl Update

CEO Lawson reported on the Super Bowl proposal which includes San Francisco, San Jose, and Santa Clara. Santa Clara has committed 1,616 guestrooms. Final documents will be submitted by San Francisco Travel to the NFL Committee by March 31. The NFL Committee will be meeting May 23–24, 2023, to select a host city for Super Bowl 2026. Hotels must complete their revised hotel agreement form by end of business on March 24, 2023. CEO Lawson clarified that room rates were updated based on February 2023 rather than February 2022 which is the reason hotels must update their paperwork.

6. CEO Update

- Discover Santa Clara® Sales Reports for February 2023
- Staffing Update
- Marketing Update
- Visit California Outlook Forum

CEO Lawson reported on the sales numbers by event priority type. There are 50 current active P1-P2s, 146 P3s, 164 P4s, and 337 P5s. The DMO is actively researching 269 P1-P2s, and has new prospects 6 P1-P2s, 3 P3, 10 P4, 58 P5; new Tentatives include 6 P1-P2s, 3 P3, 3 P4, 20 P5 and new Definitives of 0 P1-P2s, 3 P3, 5 P4, 18 P5.

CEO Lawson reported that the DMO retained Searchwide Global to recruit for the Director of Sales role. The DMO will have first-round interviews by March 27, 2023. Secondly, the DMO has a candidate in negotiations for the position of Director of Marketing. The DMO is continuing to search for the position of Sales Manager.

CEO Lawson provided a marketing update with an overview of the DMO's social media posts. Google Ads will begin before the end of March and will direct recipients to our landing page where they may input their contact information. Act-On, the DMO email platform, content is being developed with a plan to launch the email campaign at the end of April.

CEO Lawson reported that the tradeshow booth RFP was distributed on March 3, 2023. Bid responses were received and plan to finalize the vendor by April 5, 2023.

CEO Lawson reported on attendance at the Visit California Outlook Forum. The big takeaways include: a lack of alignment on potential recession, the travel industry is in growth mode, travel perception of value is shifting, there is a resurgence of travelers from China, and there is increasing demand for groups and corporate travel.

7. Review Assessment

Nancy Thome reported that TID assessments for the 2nd quarter will be due and reminded the GM's that the assessment rate changed from 1.5% to 2% effective July 1, 2022. The City has reviewed and audited previous TID assessment reports and submissions. It was noted that hotels need to submit their exemption reports with the quarterly reports and submissions. In addition, many of the hotels have completed reports incorrectly; some hotels will have some funds refunded while others will owe funds from previous years in addition to delinquency interest.

8. DMO Board of Directors Update

Chair Hodges reported that March 31 is his last day. The DMO Board of Directors appointed Catherine Lentz as Board Chair and Leo Wandling as Vice Chair on March 16, 2023. Dan Fenton and Nancy Thome gave thanks and recognition to Eron Hodges for his partnership with the City and leading the SCTID efforts and the DMO where it is today.

GENERAL ANNOUNCEMENTS

ADJOURNMENT

The meeting adjourned at 4:35 p.m. The next regular meeting is scheduled on April 27 at 3:00 p.m.