



COUNCIL AGENDA: 8-28-12
ITEM: 2.16

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

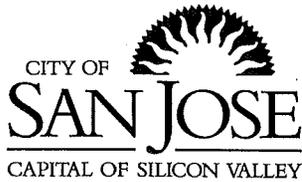
SUBJECT: SEE BELOW

DATE: 8-23-12

**SUBJECT: TEAM SAN JOSÉ QUARTERLY PERFORMANCE AND INCENTIVE
MEASURE REPORT**

RECOMMENDATION

As referred by the Public Safety, Finance and Strategic Support Committee on August 16, 2012 and outlined in the attached memos previously submitted to the Public Safety, Finance and Strategic Support Committee, accept the Team San José Quarterly Performance and Incentive Measure Report.



Memorandum

TO: PUBLIC SAFETY, FINANCE &
STRATEGIC SUPPORT
COMMITTEE

FROM: Lee Wilcox
Downtown Manager

SUBJECT: Team San Jose Quarterly 2011-2012
Performance and Incentive Measure
Report

DATE: August 9, 2012

Approved

Date

8/13/12

Attached is Team San Jose's Report: *4th Quarterly Performance and Incentive Measure Report*. At the Committee's meeting on August 16, 2012, City Staff and Team San Jose will review the report and be available for questions.

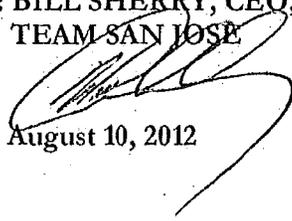
LEE WILCOX
Downtown Manager

For questions please contact Lee Wilcox, Downtown Manager, at (408) 535-8172.

MEMORANDUM

TO: LEE WILCOX,
ASSISTANT TO THE
CITY MANAGER

FROM: BILL SHERRY, CEO,
TEAM SAN JOSE



SUBJECT: TEAM SAN JOSE
QUARTERLY PERFORMANCE
REPORT – 4th QTR and Fiscal Year End
Results, ENDING June 30, 2012

DATE: August 10, 2012

EXECUTIVE SUMMARY

For Fiscal Year 2011/2012, Team San Jose, in coordination with the City Manager's Office, City Budget and Finance offices, developed a budget that reflected both the cost-savings initiatives from the prior year as well as an anticipated slowdown in convention activity because of construction activity. A delay in construction and renovation activity resulted in more open dates at the Convention Center than expected. Team San Jose's sales team worked aggressively to book short-term events that resulted in attendance and revenue that surpassed budget. The increased revenue helped offset declines at our theater venues, which continue to be hurt by weakened budgets among local non-profit performing arts groups. Gross operating profit also surpassed budget expectations as a result of the convention center events and strong performance by our in-house food and beverage team.

The report below outlines performance for the fourth quarter of FY 2011-2012, showcasing fiscal year-end results. This executive summary provides a high-level summary of Team San Jose fiscal and economic results.

Summary of 4th Quarter – Fiscal Year End Results:

Team San Jose's budget was drafted with conservative economic and fiscal projections, particularly in light of construction impacts from the Convention Center expansion and renovation. Solid results from the prior year, FY 2010-2011, helped to strengthen our financial foundation to prepare for the construction impacts associated with the Convention Center project.

FY 2011-2012 Budget Development and Assumptions

The following budget assumptions were used to develop the Fiscal Year 2011-2012 budget:

- A 20% decline in operating revenue as a result of construction impacts and continued uncertainty in economic growth.
- Little to no activity at the San Jose Civic because of continued renovation for most of the year and contract negotiations with Nederlander Concerts. The Center for the Performing Arts was anticipated to receive much needed renovations to the fire system. Both of these venues were expected to experience a decline in visitors and visitor spending of 30%.
- Because of the convention center construction, both out-of-town visitors and exhibitors were expected to decrease.

- Economic growth was anticipated to again be slow, with just a slight increase in Transient Occupancy Tax revenues.
- Theater activity was assumed to be flat due to resident art-partner seasons staying in line with the previous year's performance.
- Room nights were projected to see a 9% increase over FY 2010-11. As a reminder, the projections for hotel room night bookings are tied to business booked in previous years, along with new bookings during the fiscal year.

FY 2011-2012 Actions that Impact the adopted Budget:

- The start of the renovation of the Convention Center was delayed by eight months, where TSJ quickly changed business strategies to focus on short-term business bookings to support improved revenue growth.
- Start of the Convention Center Expansion also was delayed, supporting improved fiscal and economic results due to an increase in short-term business opportunities.
- Improved economic recovery helped drive an increase in the year-over-year convention business. Overall, conference events had stronger attendance, food and beverage needs.
- San Jose Civic and Montgomery Theater activity were delayed a year due to renovation delays.
- The Center for the Performing Arts had much lower activity because of the planned fire system upgrade, which limited booking availability. A decline in the number of Ballet San Jose shows also hurt results.
- The California Theatre also had a drop in attendance because of fewer performances by Opera San Jose and Symphony Silicon Valley.
- Customer satisfaction surveys were much higher than anticipated, because the delay in construction activity did not affect as many events as expected.

Key positive performance indicators for Fourth Quarter-Year End of Fiscal Year 2011/2012 include:

- Exceeded 7 of 9 performance measures through the June 30, 2012 goals.
- Grew revenue to \$7.24 million above the original adopted budget, or \$19.4 million in revenue.
- Gross Operating Profit budgeted goal for the year was <\$4.6> million. As a result of operational success, stronger economic growth, and delay in renovation of the Convention Center by eight months, Gross Operating Profit budget actual is <\$3.4> million 135% year to date favorable variance to the original adopted budget.
- Customer service continued to be strong, with a year-to-date overall customer service rating of 98%.

- Transient Occupancy Tax (TOT) revenue, which supports operations, exceeded the budgeted goal by 118.6%, which equates to estimated additional TOT transfers to Fund 536 of \$1.1m.

The chart below provides a brief comparison of FY 2010-2011 and FY 2011-2012 results:

Performance Measure	FY 2010-2011 Results	FY 2011-2012 Results
<i>Fiscal Drivers</i>		
Revenue	\$18.8 million	\$19.4 million
Gross Operating Profit	<\$1.8 million>	<\$3.4 million>
Estimated Transient Occupancy Tax Revenue	\$10.9 m	\$ 6.1m
Return on Investment	\$2.68	\$2.82
<i>Economic Drivers</i>		
Economic Impact	\$77.7 million	\$89.4 million
Attendance	975,550	966,944
Room Nights	200,139 room nights	239,848 room nights
Customer Service	98%	98%
Theater Performance	Occupied Days:624 Performance Days: 297	Occupied Days:676 Performance Days: 325

BACKGROUND

Team San Jose (TSJ) is a non-profit corporation charged on the City's behalf to sell San Jose as a destination and to manage the Convention Center and various theaters. Team San Jose's mission is to help spur economic activity in San Jose, particularly at the city's hotels, restaurants and arts venues.

Team San Jose's operations are funded in part by a tax on hotel guests, with the remainder generated by the revenue Team San Jose creates through operations as well as parking revenue. Customer service is a key ingredient to Team San Jose's success in attracting business to San Jose. Team San Jose customers – from corporations to meeting planners -- say our unique service model is a strong point of differentiation and improvement from most other destinations' models. San Jose has one team for all event needs, making it much easier for customers to plan and execute their gatherings. The consistent positive rating from our clients demonstrates the effectiveness of the seamless service model.

The following report is the fourth quarter report for the Fiscal Year, ending June 30, 2011 to the Public Safety, Finance & Strategic Support Committee outlining Team San Jose's performance measure results. This report is in response to the City Auditor's recommendation to brief the City Council quarterly on Team San Jose.

This report is separated into five sections:

- Operating drivers
- Economic drivers
- Customer service and Theater Performance
- New bookings and calendar of events
- Sales, Marketing and Communications Efforts

The weighting for performance and incentive measures were revised in March 2011 by the City Council, based on the City Auditor's recommendations approved in December of 2010.

The new weighting includes the following:

Economic Impact = 40%

Gross Operating Profit/Revenue = 40%

Theater Performance = 10%

Client Satisfaction = 10%

FOURTH QUARTER YEAR-TO-DATE PERFORMANCE REPORT

As of June 2012 - PRELIMINARY RESULTS FOR FY 2011-2012

	Goal	Results	% ACHIEVED
Economic Impact			
Hotel Room Nights	218,000	239,848	110.0%
Event Attendance	848,114	966,944	114.0%
Estimated Impact	52,000,000	89,439,439	172.0%
Return on Investment	\$ 1.91	\$ 2.82	147.6%
Gross Operating Profit/Revenue			
Gross Operating Revenue	12,100,000	19,395,799	160.3%
Gross Operating Profit	(4,600,000)	(3,406,208)	135.0%
Theatre Performance			
Performance Days	734	676	92.1%
Occupied Days	386	325	84.2%
Customer Satisfaction			
Satisfaction Rate	87%	97%	111.5%

Revenue

- Revenue as of the month of June 2012 YTD *exceeded goal/budget by \$7.2 m or 160.3% of goal.*
- During the budgeting process, it was anticipated that FY2011-2012 would be more challenging than the prior year. Contributing factors in forecasting for FY 2011-2012 included:
 - Due to construction and renovation, it was anticipated that the convention center space would be unavailable during the final two quarters of FY 2011-2012; therefore TSJ entered the fiscal year with significantly less contracted events than in prior years.
 - In addition, it was anticipated that the typical short-term bookings (within 90 to 120 days) would be significantly reduced as a result of construction impacts. These difficulties were reflected in the budget process as a 20% - 30% negative impact to revenue.
 - Attendance at events held by repeat clients was expected to be lower because of apprehension related to construction noise and disruption.
 - Because in-house Food and Beverage was still a new venture, it was budgeted in alignment with the anticipated decline in contracted events.
 - Reduction of theater bookings related to a continued slow economic recovery, changes in Resident Art partners programming and renovation delays.

- Contributing factors in revenue growth for the last two quarters of the year included:
 - “ Team San Jose did not experience the anticipated 20% decline in event business, due to the delay of the renovation schedule. Team San Jose’s sales team was aggressive in landing short term-bookings (90 to 120 days), attracting several events to maximize the space that became available with the delay of renovation and construction.
 - “ Growth in Food and Beverage revenue per event was largely due to increased event attendance and client needs.
 - “ Renovation of the existing convention center began in May/June 2012.
 - “ TSJ improved revenue projections by more than 160% of goal, demonstrating aggressive short-term event bookings.
- Revenue Streams that experienced the strongest growth:
 - “ Building Rental came in at \$767k, 119.2% of budget
 - “ Food and Beverage Revenue came in at \$4m, or 194.4% of budget
 - “ Labor Service Revenue, revenue gained by labor services provided to customers because TSJ contracts on their behalf, exceeded budget expectations by \$2.16m. or 182.8% of budget.

Expenses

- For the Fiscal Year 2011-2012, TSJ generated an additional \$6.3m of expenses in excess of goal/original budget related to non-personal expense appropriation. **TSJ received approval by the Mayor and City Council to adjust the original approved appropriation in June 2012.**
 - “ Expenses exceeded the original budget appropriation by \$2.88m, as a result of Food and Beverage revenue growth exceeding budget by \$4.4m.
 - **In house Food & Beverage increased funds to Fund 536 by \$652k compared to outside contracted Food & Beverage and improved GOP by \$1.46m when compared to budget.**
 - “ Expenses exceeded the original budget appropriation by \$2m in revenue growth efforts of \$2.16m in Labor Revenue generation.
 - “ TSJ has also experienced \$140.6k additional repair and maintenance, and contracted work expenses due to additional repair needs.
 - “ \$252k in Event Show costs, which included special client requests related to the condition of the building (carpet rental, drape rental, dinnerware rental to support large groups).
- **Note: City Oversight, presented reallocation adjustments to City Council in the Mid-June budget to reflect a \$6.8m increase to revenue and \$6.3m in non-personal expenses that exceed the initial approved budget allocations. TSJ exceeded the adjusted revenue adjustment by an additional \$424k and was \$20k below the adjusted Total expense Appropriation for the year.**

Convention Center Facility - CCF
ACTUAL as of June 2012

Fiscal YTD as of June 2012

	<u>YTD Actual</u>	<u>Adopted Budget</u>	<u>Budget vs. Actual</u>	<u>*Approved Appropriation Adj</u>	<u>Adj Budget vs. Actual</u>
	(1000's)	(1000's)	(1000's)	(1000's)	(1000's)
Net Revenue	\$ 19,368	\$ 12,133	\$ 7,236	\$ 18,972	\$ 396
Total Exp Appropriation	\$ 21,184	\$ 14,879	\$ (6,305)	\$ 21,204	\$ 20
City Overhead	359	359	0	359	0
City Worker's Comp	176	300	124	200	24
Shared Employee Salaries	1,083	1,140	57	1,140	57
Ttl City Appropriation	\$ 1,618	\$ 1,799	\$ 181	\$ 1,699	\$ 81
Gross Operating Profit	\$ (3,434)	\$ (4,545)	\$ 1,112	\$ (3,931)	\$ 497

Gross Operating Profit (GOP)

- TSJ reported a favorable variance of \$1.1m to budget as of the Fourth Quarter, of which Food & Beverage contributed to all of the improved variance.

Transit Occupancy Tax (TOT) – Revenue & Fund Balance

- As of Fourth Quarter and Year End 2011-2012, hotel revenue reported an increase of 9.9% over the prior year. This results from higher occupancy and higher room rates.
- Hotel revenue is an important trend for the City of San Jose. Hotel guests generate TOT tax revenue, which helps fund critical city services.
- Hotels have experienced a \$7.87 increase in hotel average daily rate from a year ago. Hotel occupancy remains strong, with a 1.85% increase compared to last fiscal year.

Attendance, Visitor Spending & Economic Impact

- As of fourth quarter 2011-2012, TSJ ended the fiscal year with an improvement in attendance when compared to goal, coming in at 114% of goal. Higher than anticipated attendance can be contributed to the following events within the fourth quarter:
 - April's Spring Style Show resulted in more than 20,000 overall attendances.
 - May's Fanimecon resulted in more than 21,000 attendees.
 - June's Broadway's "Mary Poppins" resulted in more than 22,000 attendees
- Estimated Economic Impact ended the year at \$89m, up 172 percent from goal, as a result of increased convention attendance. For the fourth quarter, the following events outperformed economic impact projections because of strong out-of-town attendance:
 - Northern California Region of Narcotics Anonymous
 - Spring Style Show
 - American Telemedicine Association
 - Conference of Laser Electronics Optics
 - FanimeCon

Hotel Room Night Generation and New Bookings

- Team San Jose generated 239,848 (future) hotel room nights, putting Team San Jose at 110% of the goal as of June 2012.

CUSTOMER SERVICE AND THEATER PERFORMANCE

Customer Service

Team San Jose uses an online survey form that is distributed directly to the meeting planner of each event. Their responses are sent directly to our contract administrator within the City of San Jose and Team San Jose Board of Directors. Planners from 62 percent of events responded; their overall satisfaction was 98%.

Theater Performance

The Downtown Theaters are an important aspect of operations and continue to be active. Performance is based on occupied days and performance days. Occupied days are counted from the time a customer loads in until they load out for an event. The definition of performance days is when there are ticketed events in the venue, representing visitors to Downtown San Jose.

For the year, occupied days and performance days for all the theaters are slightly lower than projected. Fourth Quarter results came in with 676 performance days or 92% of goal and 325 occupied days or 84% of goal.

There are various reasons for lower than anticipated theater performance including:

- Many of our arts partners have shortened their seasons to save costs as a result of the continued economic downturn and budget constraints. Symphony Silicon Valley, Opera San Jose and Ballet San Jose all adjusted their season performances after Team San Jose's performance measures and budget was approved, affecting utilization of the venues and limiting Team San Jose's ability to book other events.
- Renovation delays and contract negotiations hurt utilization of The San Jose Civic.
- The Montgomery Theater was under renovation for half the year.
- The Center for the Performing Arts was anticipated to be out of service due to a fire system upgrade which limited availability for event bookings.

NEW BOOKINGS AND CALENDAR OF EVENTS FOR THE QUARTER

The following are a list of new booking to San Jose as a result of Team San Jose sales efforts:

Event Name, Date and Room Nights

- Global Mobile Internet Conference; October 2012, \$82,125 revenue, 600 room nights
- Conference on Lasers and Electro-Optics (CLEO) 2013: June 2013, \$325,257 revenue, 6,540 room nights
- CLEO 2015: May 2015, \$325,257 revenue, 6,700 room nights
- Intel 2012 Marketing Summit: June 2012, \$63,546 room nights, 1,109 room nights
- PantheaCon 2014: February 2014, 1,692 room nights
- US Hockey League/Sharks Ice Labor Day Tournament 2012: August 2012, 1,667 room nights
- Music Teachers Association of California (MTAC) 2015 Convention: July 2015, 1,380 room nights
- North American Hockey League Tournament/Showcase 2012: October 2012, 1,375 room nights

4th Quarter Events - 03/31/12 to 6/30/12

EVENT DATE	EVENT NAME	VENUE	ESTIMATED ATTENDANCE
03/31/12	BACC Women's Night Out	Parkside Hall - A	1,300
04/02/12	Unique Lives & Experiences Speaker Series 2012 presents "Jane Pauley"	Center for the Performing Arts	1,500
04/03/12	Flextronics Senior Leadership Summit	Civic - Montgomery Theater	250
04/05/12	NCCNA XXXIV	Convention Center	8,000
04/10/12	2012 National Bargaining	Parkside Hall - A	350
04/10/12	National Achievers Congress	Convention Center	8,000
04/11/12	Western District Youth Convention 2012	Parkside Hall - A	2,500
04/11/12	SCCCMA Meeting	VIP Lounge	20
04/13/12	Children's Musical Theater San Jose presents "9 to 5"	Montgomery Theater	4,000
04/13/12	Ballet San Jose presents "Allegro Brillante, Splendid Isolation III, Clear, and Bruch Violin Concerto"	Center for the Performing Arts	6,000
04/13/12	NexStar National Talent Competition	Civic	1,650
04/14/12	2012 Delta Sigma Western Region Initiation Dinner/Dance	Parkside Hall - B	350
04/14/12	La Cumbre Public Dance	Convention Center	15,000
04/17/12	Broadway San Jose presents "In The Heights"	Center for the Performing Arts	15,990
04/17/12	TSMC North America Technology Symposium	Convention Center	1,500
04/20/12	The 25th Annual Tech Challenge 2012	Parkside Hall A & B	1,000
04/20/12	Star Systems National Talent Competition	Civic	1,500
04/21/12	Opera San Jose presents "Faust"	California Theatre	7,000
04/22/12	Spring Style Show	Convention Center	25,000
04/24/12	Unique Lives & Experiences Speaker Series 2012 presents "Debbie Reynolds"	Center for the Performing Arts	1,500
04/26/12	Nederlander Concerts presents "Sesame Street Live : Elmo Makes Music"	Civic	2,300
04/26/12	Children's Musical Theater San Jose presents "The Adventures of Tom Sawyer"	Montgomery Theater	3,600
04/28/12	ATA 2012: 17th Annual International Meeting & Exposition	Convention Center	2,500

4th Quarter Events - 03/31/12 to 6/30/12

EVENT DATE	EVENT NAME	VENUE	ESTIMATED ATTENDANCE
05/03/12	CLEO: 2012	Convention Center	3,500
05/04/12	Ballet San Jose presents "Cinderella"	Center for the Performing Arts	6,000
05/04/12	Children's Musical Theater San Jose presents "Avenue Q"	Montgomery Theater	4,800
05/05/12	Yu-Gi-Oh! Regional Qualifier	Parside Hall A & B	700
05/06/12	Santa Clara County Alliance of Black Educators Graduation Event	Parkside Hall - B	1,000
05/08/12	Broadway San Jose presents "Million Dollar Quartet"	Center for the Performing Arts	15,990
05/12/12	Symphony Silicon Valley presents "Celebrating Our Tenth!"	California Theatre	2,000
05/12/12	Firebird Youth Chinese Orchestra presents "On the Docks Suite Concert"	California Theatre	650
05/12/12	Masquerade Dance 2012 Regionals	Civic	2,000
05/12/12	BWW Seminar	Parside Hall - A	1,500
05/14/12	NVIDIA GPU Technology Conference 2012	Convention Center	3,150
05/16/12	STEM Career Fair	Parkside Hall - A	1,060
05/16/12	West Coast Opera Auditions 2012	California Theatre	75
05/17/12	American Theater Arts for Youth presents "Ellis Island"	Center for the Performing Arts	1,500
05/18/12	Assembly of the Sierra Pacific Synod, ELCA	Parkside Hall - A	600
05/18/12	Spotlight Dance Cup	Center for the Performing Arts	1,250
05/19/12	Big Wow	Convention Center	5,100
05/19/12	USA Taekwondo National Qualifier	Convention Center	1,000
05/19/12	Irene Dalis Vocal Competition	California Theatre	300
05/19/12	West Coast Performing Arts Presenters presents "Beatles Tribute"	Montgomery Theater	500
05/21/12	Andrew Hill High School 2012 Graduation	Convention Center	4,000
05/21/12	Comerica Bank All Officer Meeting	Montgomery Theater	300
05/22/12	Santa Teresa High School Graduation - Class of 2012	Convention Center	4,000
05/24/12	Four Lights Productions presents "Hideo: A Theatrical Concert of Music from Japanese Animation and Video Games"	Montgomery Theater	1,200
05/24/12	Mt. Pleasant High Graduation	Center for the Performing Arts	1,500
05/24/12	Yerba Buena High School Graduation 2012	Parkside Hall A & B	2,500
05/25/12	FanimeCon 2012	Convention Center	19,500
05/27/12	Ballet San Jose School Performance	California Theatre	940
05/29/12	Broadway San Jose presents "Mary Poppins"	Center for the Performing Arts	31,980

4th Quarter Events - 03/31/12 to 6/30/12

EVENT DATE	EVENT NAME	VENUE	ESTIMATED ATTENDANCE
06/02/12	Symphony Silicon Valley presents "Northern Lights"	California Theatre	2,000
06/02/12	CFA Institute - CFA Exam	Parkside Hall A & B	1,000
06/02/12	Notre Dame High School 2012 Graduation	California Theatre	1,000
06/04/12	Symphony Silicon Valley presents "San Jose Stage Company High School Honors"	California Theatre	550
06/06/12	2012 Green Computing Conference	Convention Center	200
06/07/12	Davis, Herman, and Bernal Junior High 8th Grade Graduation	Civic	7,500
06/08/12	26th Annual National AAW Symposium	Convention Center	1,100
06/09/12	9th Shark City Nationals & Tiger Claw's 4th KungFuMagazine.com Championships	South Hall	1,350
06/09/12	Kung Fu Tai Chi Day and 20th Anniversary Celebration	Convention Center	700
06/09/12	Symphony Silicon Valley Chorale Concert: Silver Anniversary	California Theatre	500
06/10/12	California Youth Philharmonic Orchestra	California Theatre	500
06/13/12	Hortonworks Hadoop Summit	Convention Center	2,580
06/13/12	2012 Intel Marketing Summit	Parkside Hall A & B	500
06/14/12	KIPP San Jose Collegiate Commencement Ceremony	California Theatre	1,000
06/15/12	Action Day and Primary Plus Schools presents "Little Mermaid" and 31st Anniversary	Center for the Performing Arts	2,700
06/15/12	HempCon 2012	South Hall	15,000
06/15/12	2012 No Dinx Championship	Convention Center	1,000
06/16/12	Association of the Pupils of Jack Edward Hubbell	California Theatre	900
06/16/12	The Art of Living Course	Parkside Hall A & B	2,000
06/19/12	Dance Attack	Center for the Performing Arts	1,450
06/21/12	116th Annual PTA National Convention & Exhibition	Convention Center	1,200
06/21/12	Silicon Valley NACE	Civic	30
06/22/12	Nederlander Concerts Presents "United Farm Workers Benefit"	Civic	2,300
06/23/12	Lyric Theatre of San Jose presents "The Gondoliers"	Montgomery Theater	1,800
06/23/12	Lana's Dance Studio	Center for the Performing Arts	2,000
06/23/12	DeVry University Graduation	California Theatre	800
06/24/12	D & D Entertainment presents "Da Khuc Cho Tinh Nhan"	California Theatre	1,000
06/24/12	The Dance Affair	Center for the Performing Arts	1,500
06/26/12	USA Gymnastics National Congress and Tradeshow and USA Gymnastics Rhythmic and Trampoline National Championships	Convention Center	15,100
06/28/12	Symphony Silicon Valley presents "Buddy Holly"	California Theatre	1,600
06/29/12	Carrington College Graduation	Center for the Performing Arts	1,800
06/30/12	At Bahls Productions presents "Bablu Maan"	Center for the Performing Arts	2,024
06/30/12	Nederlander Concerts presents "An Evening with Dukes of September"	Civic	2,300
06/30/12	Nor Cal Dance Arts	California Theatre	750

SALES, MARKETING AND COMMUNICATIONS EFFORTS

Below are highlights from the fourth quarter sales, marketing and communications/PR activities:

Media and Advertising Impressions and Web visits:

Through the fourth quarter, Team San Jose generated 71 million media and advertising impressions to support San Jose's destination awareness as a meetings and convention destination. In addition, there were 242,488 Fiscal Year-to-Date unique visits to the sanjose.org website.

Tradeshaw and Events Update:

New York & Chicago Sales Missions, April 15-20

Team San Jose held a sales event in Chicago and the East Coast to introduce our sales executives who represent San Jose in the Midwest and East Coast markets.

The team participated in 6 events within the two cities, in addition to 5 media interviews in New York. In both cities, Team San Jose and hotel leaders partnered with Broadway San Jose and attended a show at one of the Nederlander theaters. Over the course of the week in New York and Chicago our events were attended by a total of 47 clients who book conventions, both large city-wide and in-house smaller meetings. The clients represented a potential of more than 40,000 room nights.

NASC, Hartford, CT, April 16-19th

The National Association of Sports Commissions (NASC) an annual event connects people and ideas in the sports event industry. Founded in 1992, the NASC represents more than 550 organizations, including 300 cities within the sports-event industry across the United States, Canada, and Puerto Rico. This year the event was attended by Team San Jose's sports sales manager and meetings were held with more than 10 clients representing more than 200,000 room nights.

Collaborate Marketplace, Las Vegas NV, April 25-27th

This was the second year of the Collaborate Marketplace show. As a silver sponsor at this event, Team San Jose and San Jose hotel leadership were exposed to 450 industry professionals through signage and collateral in attendee bags. Team San Jose also had more than 60 appointments with corporate meeting planners.

Sacramento In-Market Event, April 26

Team San Jose and San Jose hotel leaders attended the third annual Sacramento In-Market event at the Kitchen restaurant in Sacramento. Fifteen clients attended the event, which is specifically focused on state association business.

Springtime, May 3rd

The 2012 **Springtime Expo** was held May 3, 2012 at the Walter E. Washington Convention Center and was attended by Team San Jose and San Jose Hotel leadership. The Springtime Expo is the largest one-day, premier meetings industry event. This is a great opportunity to visit with current and existing customers, as well as creating new relationships with prospective clients.

Association of Meeting Professionals (AMP's), May 9th

San Jose was the sponsor of the AMPs May educational session. Team San Jose attended this event and an e-blast was sent afterward to 58 prospective clients that included information about how San Jose should be their destination of choice.

Society of Government Meeting Planners, New Orleans, May 16-19th

San Jose was a sponsor and exhibitor at the Annual Conference of the Society of Government Meeting Planners. This is the biggest annual event in the government meetings industry — where government professionals from across the country come together for one-stop education, resources and networking. This year the conference was attended by more than 1000 meeting planners.

Collinson Media Connect Client Advisory Council, San Jose, May 21-23rd

As part of our ongoing relationship with Collinson Media, San Jose hosted their annual Connect Marketplace Advisory Council. Collinson Media flew in 15 planners for a two-day session. Team San Jose and hotel partners participated in these sessions and gained valuable feedback from meeting planners on different industry trends. During their stay, the planners received tours of the city and venues to educate them more on what San Jose has to offer for their events.

DC In-Market June 5-8th, Washington DC

The focus of this sales mission was to continue our relationships with existing clients as well and educate potential new prospective clients about San Jose. During the trip, San Jose hosted three events and sponsored a local Meeting Planner International educational session. Between the three events and sales calls, San Jose was able to touch more than 40 clients and 50 industry professionals.

Spring Hotel Crawl June 5th, San Jose, CA

This was the second hotel crawl of the year. These events are designed as a way to showcase local venues and uptown hotel properties to the local corporate market. A group of 14 clients, two sales managers and three hotel partners toured the city, highlighting venues, stopping at the participating hotel properties before cruising by the San Pedro Market for appetizers. The grand finale: tickets to the Van Halen concert at the HP Pavilion.

Destinations Showcase- Chicago June 27th, Chicago, IL

The Midwest's largest one-day event brings together conference, convention, and trade show professionals meeting destinations from across the United States and beyond. This is the first time San Jose participated in Chicago's Destination Showcase. In addition to exhibiting at this show, San Jose participated in the hosted-buyer program, which allowed us more face-to-face contact with clients through individual appointments and receptions.

CONCLUSION

Team San Jose appreciates the opportunity to present performance results to the Public Safety, Finance & Strategic Support Committee. The Performance Measures reviewed above are developed by the City Manager's Office and Team San Jose and submitted for consideration by the City Council through the City's budget process. The Performance Measures are monitored monthly by the City Manager's Office.

This report has been coordinated with the City Manager's Office and is transmitted by Bill Sherry, CEO, Team San Jose.