



### FROM OUR LEADERSHIP

Dear Friends and Colleagues,

It was a great year for San Jose and for Team San Jose. The team welcomed 1.49 million visitors to our managed facilities, generating over \$134.9 million in direct spending to the local economy and earning \$9.9 million in gross operating profit. In June 2015, Team San Jose exceeded our fiscal 2014-15 performance measures by 24%, marking the fourth consecutive year we have met or exceeded our goals.

Strong hotel performance and solid growth in Transient Occupancy Tax provided the opportunity to expand our positioning as a premiere travel destination for business and meetings, as well as leisure travel. In the last year, to lead this new charge and foster our growing global identity, we launched a redesigned visitor-centric web experience at sanjose.org and enhanced our consumer social media presence. We also began working with Visit California in new ways for international promotion and crafted a brand partnership with CONTENT magazine for our first digital consumer newsletter.

We worked closely with our stakeholders and cultural partners to welcome the world to the Bay Area for Super Bowl 50. As one of the world's most important sporting events, the weeklong festivity attracted over a million visitors to the Bay Area and hundreds of millions of consumers via multiple media platforms. With the City's Office of Economic Development, we spearheaded an inter-agency effort to ensure that our visitors had an exceptional experience and that San Jose maximized every media exposure opportunity available.

We are grateful to the Team San Jose Board of Directors, the Senior Team, the Team San Jose staff, the Client Advisory Board, our colleagues in City Hall, and our community partners who have all contributed their time, expertise and support to our shared mission. We are fortunate and truly appreciative of the commitment of these larger "team" members and we look forward to another successful and prosperous year for all.

Best Regards,

Michael Mulcahy
Chairman of the Board

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Karolyn Kirchgesler
Chief Executive Officer

### BACKGROUND

Team San Jose is charged on the City's behalf to promote San Jose as a destination and to manage the San Jose McEnery Convention Center, California Theatre, Center for the Performing Arts, City National Civic, Montgomery Theater, South Hall and Parkside Hall. The organization serves as the primary driver in generating economic impact to San Jose's local economy through business and leisure travel.

Hotel Occupancy Tax (TOT) generated from hotel guests provides support for the operation of the San Jose McEnery Convention Center and our four historic theaters.

### MISSION

Team San Jose promotes San Jose as a destination to stimulate economic development, particularly at the City's hotels, restaurants and arts venues.

### Marketing

Brand strategy

Research and analysis

Creative services

Media strategy and implementation

Strategic partnership development

Promotional events

# Public Relations & Communications

Internal and external communications

Government and public affairs

Earned media strategy and execution

Familiarization trips

### Sales

the city

Sell the destination

Drive revenue to the facilities and their

Deliver TOT and economic impact to

Tradeshow and events

Direct business leads to hotels

### Finance

Efficient fiscal oversight of the organization

Analyzing and partnering in creation of revenue streams

Financial reporting & budgeting

Monitoring all incoming and outgoing cash from the vault for food and beverage needs

### IT

Help desk support

Management of mobile and internal technology

Software and hardware technology training

Ticketing systems for events Point of sales systems for clients

### HR & Leadership Services

Recruitment, benefits and compensation

Leader/labor relations, communications and recognition

Organizational development and succession planning

### Client Services

Events services

Convention services

Facilities housepersons

Facilities attendants

Food and beverage

### **Operations**

Electrical

Facilities repair

HVAC

Security services

### Theaters

Ticketing

Concerts

Events



## FISCAL YEAR 2014-2015 ECONOMIC IMPACT

Team San Jose met and exceeded all performance measures. We are measured annually on goals set by the City of San Jose which include:

- Number of attendees for San Jose Convention and Cultural Facilities
- Dollars spent by attendees at hotels, restaurants and other San Jose attractions
- Estimated return in direct spending for every tax dollar invested into the San Jose Convention and Cultural Facilities
- Revenue generated
- Gross operating profit
- Customer satisfaction
- Performance days for the four theaters
- Special event days for the four theaters
- Number of hotel room nights contracted





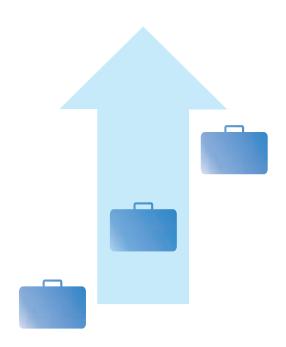
### CALENDAR YEAR 2015 ECONOMICAL IMPACT





# FISCAL RESULTS FROM SAN JOSE CONVENTION AND CULTURAL FACILITIES

\$39.1 million in revenue generated \$9.9 million in gross operating profit



### **JOBS**

85,700 people are employed in the San Jose hospitality industry

Team San Jose has approximately 100 full-time employees, and up to 1,430 people can be working in the facilities at any given time.

### ATTENDANCE & ECONOMIC IMPACT

1.49 million attendees visited San Jose Convention and Cultural Facilities

\$134.9 million was spent by attendees at San Jose hotels, restaurants and attractions

\$2.89 was returned in direct spending for every tax dollar invested into San Jose Convention and Cultural Facilities

\$11.2 million generated in total local taxes from attendees



#### THEATER PERFORMANCE

273 performances through arts partners

338 additional performances and events through non-partner arts organizations and nationally recognized promoters

611 total performances booked by Team San Jose's theater and events team



### TEAM SAN JOSE HOTEL SALES PERFORMANCE

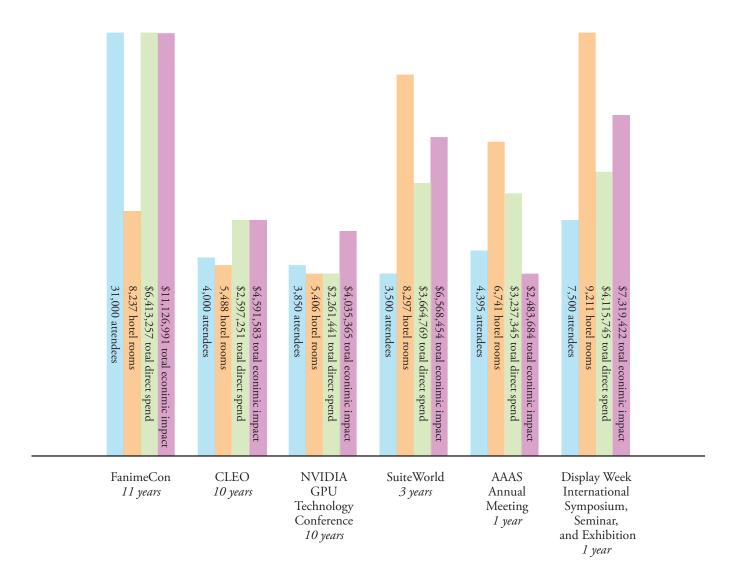
213,806 hotel room nights were sold this year. As the economy remains strong, we continue to be challenged with securing attractive rates for corporate, association and group business.

## SALES AND EVENTS

Hundreds, if not thousands of hours go into identifying sales leads, forging business opportunities, closing deals, planning, promoting and executing each event that takes place in our facilities as well as city and regional events.

Exceptional customer service from start to finish brings new and repeat business to the city, resulting in profound fiscal power as demonstrated below.

# Team San Jose 2015 Event Impact





### SALES AND EVENTS continued

### **HOTEL PARTNERSHIP**

Team San Jose is measured on contracting and securing future hotel room nights associated with the events held in the San Jose McEnery Convention Center and the theater facilities. Team San Jose exceeded its year end goal by 108%.

San Jose hotel partners reported increased hotel revenue of 13.9% and increased hotel occupancy of 1.39%, when compared to last year.

Team San Jose continues to work with hotel partners to maintain a balanced portfolio of future business opportunities between transient and group business.

### **CONVENTION SALES**

Last year, the sales team generated 640 sales lead opportunities for a total of 810,527 potential room nights. Our sales team also participated in 52 trade shows and special events that included or involved 27,000 interactions with meeting and event professionals.

### **CONVENTION FACILITIES**

Team San Jose hosted 174 events in the convention center facilities. These events brought almost 928,000 attendees to downtown San Jose and generated \$122 million in visitor spending split amongst overnight visitors and visitors driving in for the day.

Major Events hosted at the San Jose McEnery Convention Center:

Brocade Sales Kick-Off
Silicon Valley International Auto Show
Oracle Value Chain Summit
World Financial Group
NBAA Schedulers & Dispatchers Conference
AAAS Annual Meeting
NVIDIA GPU Technology Conference
WrestleMania 31 Axxess
Big WOW ComicFest
SuiteWorld
CLEO

FanimeCon



### **GROSS REVENUE**

Team San Jose operations generated revenues in excess of budget by over \$12 million. The additional revenue can be attributed to stronger performance in the following:

Food & Beverage: \$5.7 million

Labor Revenue: \$3.3 million

### **GROSS PROFIT**

Team San Jose reported a gross operating profit (GOP) of \$3.3 million in excess of goal.

Net parking profits improved GOP by \$639,000.

### **CUSTOMER SERVICE**

Team San Jose provides an online survey form distributed directly to meeting planners after each event. The responses are sent directly to our contract administrator within the City of San Jose, Team San Jose staff, our labor partners and exclusive vendors working within the convention center.

This years customer survey satisfaction rate was 100% for overall performance. The response rate was 40% (100 out of 247 clients submitted the online survey).

# THEATERS

Team San Jose hosted 235 events in our theaters. 81% were concerts or performing arts events.

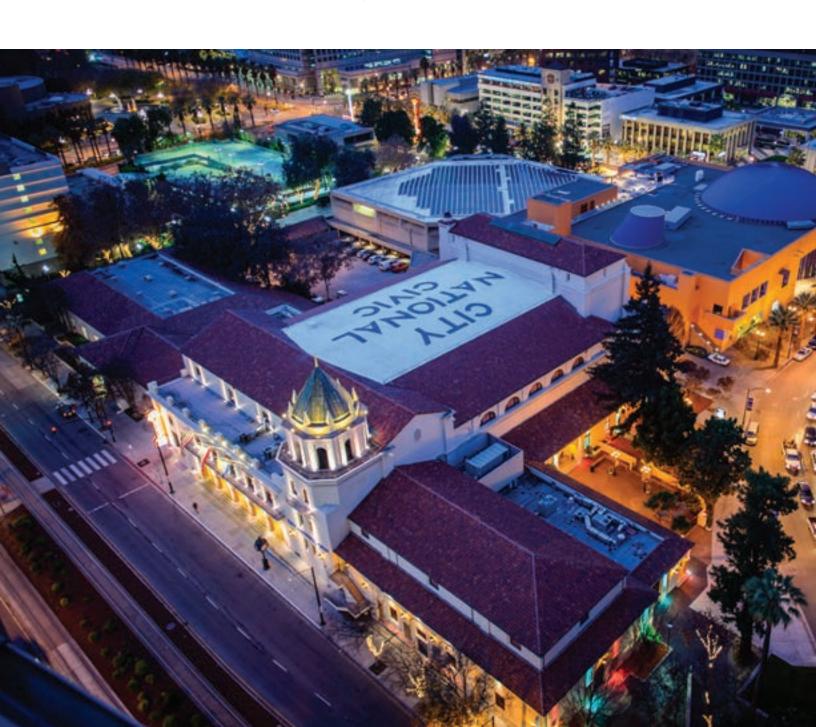
Arts, entertainment and special events held at our theaters brought over 562,000 attendees to downtown

San Jose with almost \$12 million in visitor spending occurring in the community.

Last year the offerings ranged from Broadway smashes, unique symphonic/cinematic experiences, sold-out comedian performances and Grammy award-winning

music icons. In addition, the theaters continued their history of supporting San Jose's resident art programs: Opera San Jose, Symphony Silicon Valley and Children's Musical Theater.

Team San Jose invested over \$450,000 in capital improvements for the theaters in preparation for Broadway's "Wicked" and "The Book of Mormon".







### **CITY NATIONAL CIVIC**

Seats: 3,036 Events: 72

2015 Attendance: 117,339

EVENT HIGHLIGHTS: Cheap Trick, Styx, KFOG Concert for Kids featuring David Gray, Young Rising Sons and James Bay, Mix 106.5s Very Merry Mixxer 2015 with Michael Franti and A Great Big World, So You Think You Can Dance, Danzig/Pennywise, Moody Blues, Shreya Ghoshal, West Coast Latvian Song Festival, AR Rahman, Gloria Trevi and Disney Junior Live on Tour! Pirate & Princess Adventure.













### CENTER FOR THE PERFORMING ARTS

Seats: 2,677 Events: 52

2015 Attendance: 281,080

2015 Resident Partners: Ballet San Jose, Broadway San Jose

EVENT HIGHLIGHTS: The Illusionists, The Book of Mormon, The Lion King, Symphony Silicon Valley presents "Lord of the Rings", Dancing with the Stars, Rain: A Tribute to the Beatles, Bill Burr, Once, Ballet San Jose presents "Cinderella", Riverdance,

David Sedaris and Brian Regan.

### **CALIFORNIA THEATRE**

Seats: 1,122 Events: 68

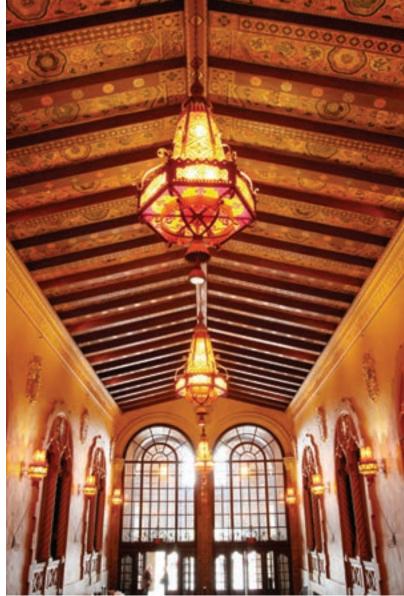
2015 Attendance: 113,442

2015 Resident Partners: Symphony Silicon Valley, Opera

San Jose

EVENT HIGHLIGHTS: Cinequest Film Festival 25, 25th San Jose Jazz Summer Fest, Unique Lives & Experiences Speaker Series and Eddie Izzard.











### **MONTGOMERY THEATER**

Seats: 475 Events: 43

2015 Attendance: 50,830

2015 Resident Partners: CMT San Jose, Lyric Theatre

EVENT HIGHLIGHTS: Happy Hollow Park and Zoo presents an Evening with Jack Hanna, West Coast Performing Arts Presenters presents "A Christmas Carol starring Kellan Baker" and Emery Entertainment presents "Men Are From Mars, Women Are From Venus LIVE!"

CMT San Jose presentations: American Idiot, Pinocchio, School House Rock Live!, Ragtime, Disney's Mulan, The Little Mermaid, Lyric Theatre presentations: Sound of Music and Iolanthe.

### MARKETING AND COMMUNICATIONS

Team San Jose added Vice President of Marketing and Communications Laura Chmielewski to drive leisure tourism and increase brand visibility globally. Laura's expertise in team development, destination branding, strategic partnership development and media campaign strategy is already providing a prominent boost for San Jose's destinations profile. The new Marketing & Communications team is working closely with the San Jose Office of Economic Development and stakeholder groups to ensure that brand is consistently and strategically voiced through all agencies communication's and marketing efforts.

Team San Jose partnered with NATIVE (a design firm) and with the support from the City of San Jose's Office of Economic Development crafted a successful brand identity to promote San Jose as a leisure destination. The new brand aligns with Team San Jose's strategy to target leisure travel on weekend visitation while continuing to build on our success in the meetings market.

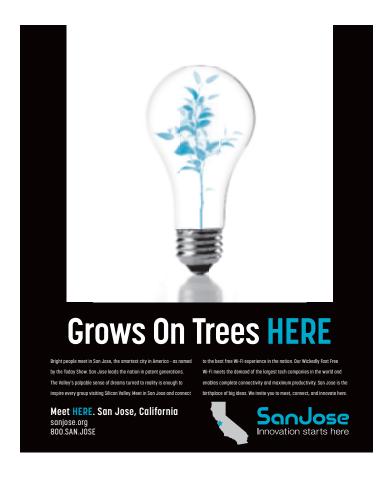
#### **MARKETING**

### Print and Digital

In collaboration with our community partners, the marketing team introduced an illustrated San Jose Visitor Map and Guide, which highlights attractions and activities in and around San Jose. The map is distributed at the airport, hotels, visitor centers and available on sanjose.org.

The marketing team created and placed 80 advertisements in 23 trade and leisure publications.

- Trade Print Ads: 2,197,547 impressions
- Trade Digital Ads: 283,763 impressions (19 publications)
- Leisure Print Ads: 1,137,000 impressions (4 publications)





























**DESTINATION VIDEO** showcasing experiences that await leisure travelers in San Jose and the surrounding



### **Emotional Campaign**

To broaden consumer awareness of San Jose as a leisure travel destination, Team San Jose launched an emotional branding campaign centering on accolades the city earned over the past year. The campaign featured three videos with locals sharing why San Jose is the Happiest, Healthiest and Smartest city in the U.S. The videos were distributed beginning in May 2015, through YouTube, Google and Facebook.







### MARKETING AND COMMUNICATIONS continued

### Website and Digital Tools

With the January 2015 launch of tripplan.sanjose.org, an online travel itinerary planning tool powered by Utrip, visitors are now able to explore the destination and customize their San Jose experience using smart technology.

### Web Traffic

- sanjose.org saw 298,663 unique visitors
- sanjosetheaters.org saw 409,327 unique visitors
- Total sites (Utrip, sanjosemeetings.com, sanjose.org, sanjosetheaters.org, etc.) saw 717,684 unique visitors

### Social Media Year Over Year (YOY) Increase

Team San Jose:

- Twitter Followers: 5,897 22% YOY increase
- Facebook Likes: 4,644 99 % YOY increase
- Pinterest Followers: 413 39% YOY increase
- YouTube Views: 488,042 7,298% YOY increase (as result of the emotional branding campaign)
- LinkedIn Followers: 1,261 (No benchmark exists for last year)

San Jose Theaters:

• Facebook Likes: 2,672

• Twitter Followers: 879



### **PUBLIC RELATIONS & COMMUNICATIONS**

Last year, the communications team hosted a total of 27 travel writers as part of familiarization (FAM) press trips and individual media visits to San Jose, doubling media placements in leisure and travel from the previous year.

Top media placements included GQ.com, the Huffington Post, Thrillist, The Union Democrat, Yahoo Travel, AFAR, Southwest the Magazine, and Volaris' in-flight magazine as well as securing international media coverage in the U.K., Canada and Belgium markets. Key media placement in trade media included Association News, Convene, Meetings Focus, Prevue, Perspectives, Successful Meetings, Smart Meetings Magazine and Facilities & Destinations Magazine.







### **OPERATIONS**

### Capital Improvements

Four million dollars for capital investment have helped fund renovations and upgrades on Team San Jose-managed properties this year. These dollars came from hotel revenue in Fund 536, the San Jose Theater Preservation Fund and theater naming rights. Key improvements this year included expansion of our Wi-Fi, programmable digital displays for signage and way finding, floor repairs, wall protection, new paint, the addition of security cameras and cyber-lock key systems, kitchen renovation, and audio system compatibility. Modernization of the theaters included new curtains, floor and stage renovation, sound drapes, dressing room and back stage area overhauls, decorative painting, enhanced audio capabilities and electrical upgrades.

### Responsible and Sustainable

We take sustainability seriously at Team San Jose. Continued company and community education and long term strategic planning for expanded recycling processes and reduction in water and energy use are at the heart of our operations. As an active supporter of the 2015 Clinton

Global Initiative, which aims to cut energy consumption in half by the year 2022, Team San Jose works with PG&E as a participant in the San Jose energy challenge "Step Up and Power Down", to reduce energy consumption.

#### Waste Not

Team San Jose's in-house culinary team strives to provide the best food and beverage experience of any convention center in the nation while putting responsible and sustainable practices at the center of our business.

- 88.4% of all products brought into the convention center are recycled.
- Over 12,800 pounds of material are recycled each year.
- 95% of produce and 70% of all other foods are purchased within a 100 mile radius of our Convention Center.
- 547 gallons of fryer oil are donated each year for use as biodiesel fuel.
- All perishable food products are donated to local charities for consumption or donated for animal feed and compost.

### FOOD & BEVERAGE

### Hunger at Home

Eight years ago, Team San Jose's Director of Food & Beverage and Facilities and Property Operations, Ewell Sterner, identified an opportunity (through the Bill Emerson Good Samaritan Food Donation Act) to donate unused food to local nonprofit organizations. Recipient organizations include the Salvation Army, Home First, Martha's Kitchen, Inn Vision and the Bill Wilson Center. He also secured hotel partners from Hilton, Marriott, The Fairmont and DoubleTree, plus Levi's Stadium, the SAP Center and Shoreline Amphitheatre to sign on to do the same. He named the initiative, Hunger at Home.

This year, in appropriate Silicon Valley-style, we partnered with the City of San Jose, and Waste No Food to continue this work. Waste No Food provided a web and mobile marketplace to reduce food waste by matching potential donors with charities via mobile app for IOS and Android and thus, we went digital.

The Hunger at Home initiative and Waste No Food app have already provided over 1.4 million meals, which would otherwise be in the landfill.

### Fun, Food Fact

Last year, Team San Jose served:

- 75,000 pounds of poultry
- 41,000 pounds of beef
- 100,000 appetizers
- 60,000 hot dogs
- 53,000 nachos





### TEAM SAN JOSE MILESTONES

# DESTINATION MARKETING ACCREDITATION PROGRAM (DMAP)

Team San Jose successfully completed re-accreditation with the Destination Marketing Accreditation Program (DMAP). DMAP is administered by Destination Marketing Associations International and acts as a visible industry distinction that demonstrates Team San Jose's commitment to best practices in destination marketing and management. Applicants are screened by a panel of industry peers to determine compliance in 16 areas of expertise including Governance, Finance, Sales, Marketing and Research.

A polling of our Client Advisory Board supports recognition of the DMAP program's industry importance and recognizes a positive view of destinations that achieve accreditation.

#### AIR SERVICE GROWTH

Mineta San Jose International Airport (SJC) had another big year with continued passenger traffic growth (4.4% over the previous year) and new domestic routes from Southwest and Alaska Airlines. Direct air service to Beijing on Hainan Airlines commenced on June 15th. The five-times-weekly service makes SJC the third California gateway for the booming Chinese tourism market. Additional international flights are also on our horizon, with British Air, Lufthansa and Air Canada announcing non-stop flights to London-Heathrow, Frankfort and Vancouver respectively. Congratulations to Kim Becker, Director of Aviation, and her staff for their hard work to bring these flights to San Jose.

### **WRESTLEMANIA 31**

San Jose and Santa Clara played host to a week of exciting World Wrestling Entertainment (WWE) events during WrestleMania 31 this past March. As a cavalcade of stars descended on Silicon Valley for the festivities, an impressive





76,976 visitors from all 50 states and 40 countries also made their way to our boarders. The San Jose Sports Authority took home the championship belt for helping to secure and organize a true multi-agency effort. Events were staged at SAP Center, Levi's Stadium and the San Jose Convention Center and all told, San Jose saw weekend hotel room occupancy rates of 89%. This was a 31% increase over the previous year during that same period.

#### **AVAYA STADIUM**

This past year saw the opening of Avaya Stadium, home to the San Jose Earthquakes and North America's largest outdoor bar. In addition to a successful inaugural season, the venue is already planning major events like the 2016 MLS All-Star Game, international rugby matches and Women's National Team friendlies.

### HOTEL DEVELOPMENT AND OCCUPANCY

The reporting San Jose hotels posted their highest occupancy and average daily rates since Team San Jose began tracking their performance during the 1990s dot-com boom. This continued growth in performance has spurred a new wave of hotel development – with numerous properties in North San Jose slated to open in 2016.

Also, many properties invested in renovations. The former St. Claire completed a total renovation, reflagged and reopened as the Westin San Jose. It joins the ranks of Hilton, Marriott, Hyatt Place and The Fairmont and gives downtown yet another strong international brand situated within steps of the Convention Center.

# TEAM SAN JOSE SENIOR TEAM

Team San Jose's commitment to excellence begins with our CEO and Senior Team who lead the day-to-day operations.

Each executive team member brings 20 to 30 years of experience in their respective areas.



Karolyn Kirchgesler Chief Executive Officer



Dave Costain
Chief Operating Officer



Janette Sutton
Chief Financial Officer



Diana Ponton
Vice President, Sales &
Destination Services



Laura ChmielewskiMagdaVice President, MarketingDirector,and CommunicationsHuman H



Magda Madriz
Director,
Human Resources



# CLIENT ADVISORY BOARD

Team San Jose Client Advisory Board (CAB) is a panel of 20 experienced meeting professionals who meet with Team San Jose twice a year, but interact with staff on an ongoing basis, providing feedback on business practices and key initiatives impacting our customers and stakeholders.

### Lisa Beverly

Senior Event Manager, Corporate Events Adobe

### Danielle M. Boyles

Vice President HelmsBriscoe

### Hunter Clemens, CAE, CMP

Vice President Meetings Management Group

### Cathy Clifton, CMP, CMM

Senior Director, Global Meetings & Events Higher Education User Group

#### Scott Falk

Vice President Arrowhead Conferences & Events

### Jamal Hageb

Senior Meetings Manager American Bar Association

#### Sara Haukap Yeboah

Manager, Event Services SmithBucklin

#### Sheryl Huynh

Senior Director, Worldwide Events & Creative Operations NVIDIA Corporation

### Donna Jarvis-Miller, CMP, CEM

Director, Membership Operations and Events American Public Human Services Association

### Lisa Krass, CMP

Director, Events & Corporate Relations ACN, Inc.

### Lori Luna

Vice President, Event Operations She Knows Media

### Amy Mackreth

Director of Field Marketing Adaptive Insights

### Ann McLeod, CEM, CAE

Director of Meetings and Expositions Society of American Military Engineers (SAME)

### Mike Nichols, CAM

Vice President, Operational Excellence and Professional Development National Business Aviation Association, Inc

#### Brian Santor

Senior Procurement Manager, Meetings and Events Yahoo, Inc.

### Jennifer Donner Smith

Director - Corporate and Field Events NetSuite, Inc.

#### Melissa Stoddard

Director, Operations CTIA The Wireless Association

#### Tim Wheeler

Corporate & Global Events eBay

#### THANK YOU FOR YOUR CONTRIBUTION

### Carrie Abernathy

Director of Education & Events Practice Greenhealth

### Deborah Young, CMP, CEM

Associate Executive Director, Conferences & Exhibits National Association of Elementary School Principles

### 2015 - 2016 BOARD OF DIRECTORS

Team San Jose is governed by a 15-member voting Board of Directors comprised of representatives from the hotel, arts, business community and labor sectors, as well as two

City liaisons. The Board represents outstanding community leaders who are instrumental at employing strategic direction to guide Team San Jose's business success.

#### **HOTEL PARTNERS**



Bonnie Best Hotel Valencia Santana Row



Gary Hageman
Hilton San Jose



Michael Mussara
The Fairmont San Jose



Neil Poisson

DoubleTree by Hilton
San Jose



John Southwell
San Jose Marriott

### LABOR PARTNERS



Bill Fairweather



Enrique Fernandez
UNITE HERE Local 19



Ben Field

South Bay Labor
Council



Teri Kilgore
City of San Jose



Lee Wilcox
City of San Jose

#### **BUSINESS COMMUNITY PARTNERS**



Michael E. Fox Board Treasurer Goodwill Industries



Michael Mulcahy Chairman of the Board SDS NexGen Partners, LP



Steve Wymer TiVo, Inc.

#### **RETIRING BOARD MEMBERS**



Kelley Cosgrove



Josh Ende



James MacGregor

### ARTS PARTNERS



Andrew Bales Board Secretary Symphony Silicon Valley



Larry Hancock
Opera San Jose



Michael Miller
Children's Musical
Theater San Jose

Team San Jose would like to thank retired Board Members Kelley Cosgrove, Josh Ende and James MacGregor for their service and contribution on the board. Their leadership helped position Team San Jose as a leader in the meetings and hospitality industry.



