

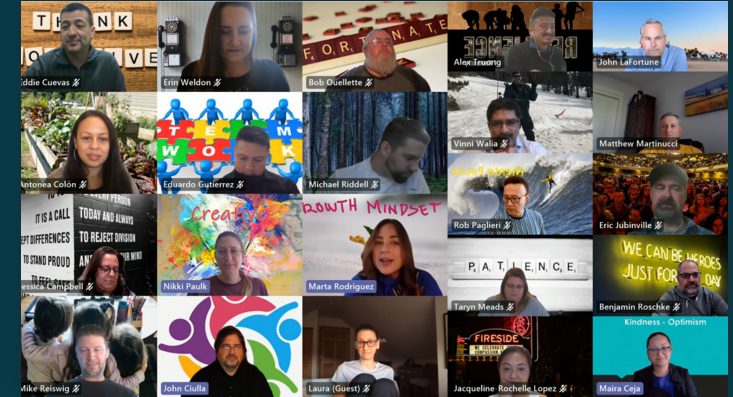
TEAM SAN JOSE ANNUAL REPORT



We Are TEAM SAN JOSE



As we adapted to the COVID-19 pandemic, this year our mission shifted beyond promoting San Jose and stimulating economic development to prioritizing our efforts and goals for diversity, equity and inclusion, as well as serving our community and finding new ways to keep our team employed.



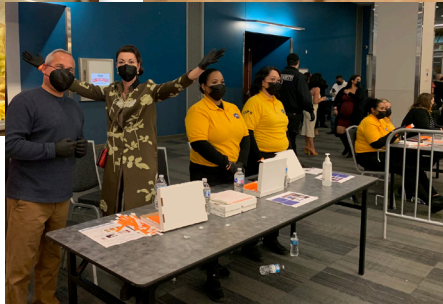
TSJ Team members gather online for the ongoing *Inclusion Talks* series

ABOUT US

Team San Jose is a 501(c)(6) nonprofit economic development organization unifying the San Jose Convention and Visitors Bureau, hotels, the arts, labor and venues. Formed in 2004, Team San Jose serves as the facility manager and operator of six city-owned venues: the San Jose McEnery Convention Center, California Theatre, Center for the Performing Arts, Montgomery Theater, San Jose Civic and South Hall. As manager, Team San Jose also operates a catering company to provide food and beverage services to these venues. The company is also the official city marketing organization, promoting travel and tourism to boost the economy and cultural life of San Jose.

From March 2020 to June 2021, our meetings and facilities business was largely brought to a halt. Prior to the pandemic, however, Team San Jose thrived in the meetings industry thanks in part to the city's prime location in the heart of Silicon Valley. Our organization uses an integrated approach that forges and leverages key partnerships from all sectors of the business and arts community. That approach, combined with our facility operations, sales team and marketing efforts, has drawn the best and brightest from the tech industry and beyond to meet in San Jose.

We Are TEAM SAN JOSE



NEW MISSION STATEMENT

Team San Jose promotes San Jose as a destination to stimulate economic development that benefits our community.

ADDED VALUE STATEMENT

We are committed to investing in opportunities and practices that advance diversity, racial equity and inclusion as the right and smart objective to implement to position Team San Jose to succeed.

Friends & Colleagues



We welcome the opportunity to present to you the 2020-21 Team San Jose Annual Report. This recap will cover all of 2020 and the first six months of 2021, a tumultuous and difficult year and a half. The global COVID-19 pandemic continued and its negative effects rippled through nearly every industry, particularly tourism and hospitality, while also impacting our workforce and community. In addition, our area suffered a catastrophic wildfire season. We dealt with all of this while confronting the greater challenge of the necessary push for equality and social justice and the part we must play in it.

Through all, our incredible team inspired us with their resilience, positivity and creativity. They found opportunity amidst the uncertainty, creating new initiatives and projects to serve those that were hardest hit in our community. Our kitchens went to work making meals for the City's meal programs, while our facilities provided shelter for the homeless. We assisted with wildfire recovery efforts by working with our hospitality

partners to find lodging for the displaced fire victims and essential workers. We even provided parking for rescue vehicles on our grounds. Importantly, we addressed our commitment of diversity, equity and inclusion across the organization, resulting in changes to our mission and a redefinition of our value statements. Finally, we used our marketing spotlight to shine a light on our local small businesses and nonprofits through the San Jose Love campaign that continues today. We are very proud to report that all of this was recognized by the media through countless articles and as we were honored with the 2021 Community Impact Award by the Silicon Valley Business Journal.

We thank you for your role in these accomplishments and for continuing with us to address and serve our community's needs. We will continue the work we started and we look ahead with optimism and confidence for the future of both Team San Jose and the City of San Jose.



MICHAEL E. FOX, JR.

Chairman of the Board



JOHN LaFORTUNE

President and Chief Executive Officer



Artist: TAMIKO RAST

Committing TO DIVERSITY, EQUITY & INCLUSION

We know that incorporating these three principles into everything we do is essential for an organization that wants to grow, stay dynamic and magnetic, and always attract the best ideas, solutions and people. Over the last year, we created a board initiative and subcommittee to further our commitment to DEI, focusing on the health of our organization and representing our diverse community through all our efforts. Throughout the process we consulted with community stakeholders, industry peers and global thought leadership.

We're happy to report we now have a board-approved, strategic DEI plan in place, as well as acceptance into the Government Alliance on Race and Equity. The plan is a living document, enabling us to respond to new needs and challenges, but the ongoing importance of DEI to all our efforts will remain the same. Our goal is to serve as a model for the city in all of these areas by creating greater racial and cultural balance and representation in everything we do.

Recovering FROM A HUGE FINANCIAL HIT

As hard as we all worked to mitigate the impact of the pandemic, there was no way to hide the fact that its effects added up to a year of greatly diminished tourism, meeting and convention activity, and overall business. In fact, due to State and Country restrictions, Team San Jose-managed facilities were closed from March 2020 to June 2021.

Utilizing Tourism Economics' models, we found that overall hotel occupancy was down by nearly half from 2019's figures to 38%, with the average daily rate down 33% and revenue per available room (RevPAR) down 66%. Visitation also suffered, with overall overnight stays and spending down 55%. The international market fell as well, with visitation down 69% and spending down 75%. All told, San Jose lost over \$1.1 billion in visitor spending in 2020 due to the pandemic.

	2019	2020	Amount Lost	Percent Lost
Hotel Occupancy*	75%	38%	-37%	-49%
Avg. Daily Rate*	\$199.25	\$133.17	(\$66.08)	-33%
RevPAR*	\$149.89	\$51.06	(\$98.83)	-66%
Domestic overnight visitors (000's)*	6,300	2,820	(3,480)	-55%
Domestic overnight visitor spending (in millions)*	\$1,033	\$463	(\$570)	-55%
International Visitors (000's)**	973.4	301.0	(672.4)	-69%
International visitor spending (in millions)**	\$750.40	\$189.40	(\$561)	-75%

*San Jose COVID Recovery Forecast – Tourism Economics, Feb 2021, **Global Cities Travel Report – Tourism Economics, Mar 2021,

***Internal records Team San Jose



Overall in 2020 the San Jose hospitality industry lost:

▼ **3,098**
jobs*

▼ **\$277M**
in wages*

▼ **\$77M**
in local and
state taxes*

From the facilities managed by Team San Jose, the impact was severe as well:

81 conferences and events cancelled***

▼ **\$65.6M**
in lost
revenue***

▼ **\$115.2M**
in lost visitor
spending***

▼ **447,000**
lost projected employee
work hours***

SHIFTING FOCUS TO THE *Homefront*

While 2020 proved challenging on every front and limited our ability to make an impact beyond our city, it did enable us to respond to needs at home and assist our own community. We didn't do this alone and are honored to have partnered with San Jose Cares, Silicon Valley Strong, San Jose State University, the San Jose Downtown Association, San Jose Police and Firefighters, Sacred Heart Community Service, MOSAIC America, the School of Arts, Culture at Mexican Heritage Plaza and many others. We helped turn facilities into homeless shelters, and while partnering with Hunger at Home, to supply laid-off hospitality workers with meals. We also provided more than 1 million meals to homeless shelters around the city. When wildfires raged in the state, we worked to find hotel rooms for impacted residents and essential workers.

We also created the "San Jose Love" program to showcase hospitality businesses, artists, nonprofit cultural agencies, entrepreneurs and all who make this the vibrant, colorful city we love. This ongoing effort continues to provide support, exposure and assistance to local businesses, arts organizations, neighborhoods and more, and has gained exposure in Condé Nast Traveler and the Travel Leaders Network.

In recognition for all these efforts, Team San Jose received the 2021 Community Impact Award from the Silicon Valley Business Journal.

PERFECT
DAY IN
SAN JOSE



LET'S ROLL!



LOOKING FORWARD *Never Back*

Despite the huge disruption to every aspect of what we planned for last year, we still found opportunities and ways to put the newfound time to good use. A top priority among those efforts was working to reopen safely as soon as possible. That included certification by the Global Biorisk Advisory Council, the cleaning industry's only outbreak, prevention, response and recovery accreditation. We joined forces with the CalTravel COVID Recovery Task Force and also coordinated with the CalTravel Convention Center Coalition, which worked across the state to responsibly reopen conventions and trade shows. We even helped the famous Winchester Mystery House incorporate a 360-degree online tour.

At the same time, adversity spurred on our creativity. The sales teams tried new models and ways to win new business, including a newly created online virtual tool for sales. As the city approved a new budget that used federal coronavirus relief funding to help small local businesses recover, we also quickly created a marketing recovery plan. We transitioned the popular "San Jose Love" campaign to work harder on a local level by featuring San Jose artists and their work and shifted our paid media to an intent-based strategy to better maximize our budget and reach those that were most likely to travel. Those media campaigns successfully drove \$1,043,498* of direct revenue to local hotels.



CLIENT ADVISORY BOARD

Team San Jose continued to improve and refine the services and products offered to event planners. The Client Advisory Board is a collection of seasoned event industry professionals that provide input on best practices and advise on product development. Unable to meet twice a year as usual, they adapted to the times through teleconferencing to provide critical input and expertise throughout the pandemic. The board also serves as a valuable resource for staff to quickly gain insights into emerging trends that impact customers.

ERIKA BRUNKE

Google

NADINE GEORGE

Visa, Inc.

KELLEY SCHMIDT

FNtech

KIMBERLY COERR

CLEO Management

SARA MORRIS

*American Association
of Clinical Endocrinology*

CHARLENE SMITH

CISCO

LAURIE DALTON WHITE

Conferences for Women

JEFF KAHN, CPA, CMP

SPIE

DARLENE SOMERS

*International Association of Venue
Managers*

CORY FRANSWAY

Experient

AMY MACKRETH

Databricks

WENDY STEVENS

Talley Management Group

JUSTINE FRIEDMAN

The Linux Foundation

FRED MOXLEY

*Association for the Advancement
of Medical Instruments*

JACQUELINE YEPEZ

Socure

MARCO GALLO

Western Digital Technologies, Inc.

ROBERT NOLEN

BDR Events Services

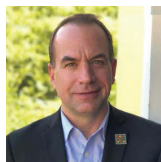
BOARD OF DIRECTORS

Team San Jose is overseen by an 19-member Board of Directors made up of representatives from the following sectors: hotel, labor, business community and the arts. Two liaison seats are held by representatives of the City of San Jose.

HOTEL PARTNERS



TANYA FLEMING
Holiday Inn San Jose –
Silicon Valley



BRENT GAINES
Hotel Valencia
Santana Row



JIMMY SARFRAZ
Hilton San Jose

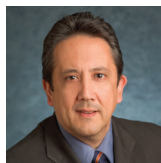


JOHN SOUTHWELL
San Jose Marriott

LABOR PARTNERS



BILL FAIRWEATHER
IATSE Local 134



ENRIQUE FERNANDEZ
UNITE HERE Local 19



OWEN MURPHY
Sign and Craft Display
Local 150



JEAN COHEN
South Bay Labor Council

BUSINESS COMMUNITY PARTNERS



MICHAEL E. FOX, JR.
Goodwill Industries,
TSJ Chairman of the Board



MICHAEL MULCAHY
SDS NexGen Partners, LP,
TSJ Immediate Past Chair



CHUCK TOENISKOETTER
Toeniskoetter
Development, Inc.



RU WEERAKOON
Weerakoon Company

OUTGOING

We extend special thanks to outgoing board members Ben Field, Dan McGowan, Khori Dastoor and Steve Wymer.



BEN FIELD
South Bay
Labor Council



DAN MCGOWAN
Fairmont San Jose



KHORI DASTOOR
Opera San Jose



STEVE WYMER
Boys & Girls Clubs
of Silicon Valley,
TSJ Treasurer

ARTS PARTNERS



ANDREW BALES
Symphony Silicon Valley



DANA ZELL
Children's Musical Theater

CITY LIAISONS



KERRY ADAMS-HAPNER
City of San Jose



RAUL PERALEZ
Councilmember District 3

SENIOR TEAM



JOHN LAFORTUNE
Chief Executive Officer



IHAB SABRY
Chief Financial Officer



MADINA MOORE
*Executive Vice President,
HR/Labor Relations/Loss Prevention*



LAURA CHMIELEWSKI
*Vice President, Marketing
& Communications*



MATTHEW MARTINUCCI
*Vice President, Sales &
Destination Services*



BEN ROSCHKE
*Vice President, Research
& Strategic Development*





A SPECIAL *Thank You*

We couldn't wrap up this report on a very difficult year without highlighting and sincerely appreciating all the hard work and sacrifices made by Team San Jose throughout the pandemic.

Our sincerest thanks to **each member of the team.**

