



TEAM SAN JOSE

Annual Report

FISCAL YEAR 2021–2022



ABOUT TEAM SAN JOSE

Team San Jose is an innovative partnership unifying the San Jose Convention and Visitors Bureau, hotels, arts, labor, and venues to deliver an exceptional visitor experience and serve as the gateway to San Jose as a destination. Our company manages the San Jose Convention Center, and Arts and Entertainment venues including the California Theatre, the Center for the Performing Arts, Montgomery Theater, San Jose Civic and South Hall.

MISSION STATEMENT:

Team San Jose promotes San Jose as a destination to stimulate economic development for the benefit of our community.

VALUES STATEMENT:

We empower leaders in the Arts, Business, Labor and Hotel communities to work together.

We are dedicated to an open and honest dialogue among diverse partners.

We are devoted to making San Jose a desirable destination for local, national and international leaders.

We are committed to fiscal responsibility and accountability to the customer.

We are dedicated to providing a unique and compelling customer experience.

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.



DEAR FRIENDS AND COLLEAGUES,

We are proud to present to you the 2021–2022 Team San Jose Annual Report, which recaps Team San Jose’s activities for the Fiscal Year of 2021/2022. For yet another year, our team continued to inspire us as they tenaciously navigated the long pandemic recovery. With necessary workforce reductions in place for a second year, staff carried on, remaining vigilant to the work to be done and creatively confronting ongoing and new challenges.

The year was not an easy one. Hotel and convention center business recovery was slow, and many of the tech citywide meetings and conventions were postponed or canceled. We understood that recovering lost revenue and increasing visitation and occupancy levels remained urgent and our top priority. To address immediate fiscal needs, Team San Jose devoted considerable reserve funds to driving immediate room nights through a successful digital leisure destination marketing campaign and began a digital meeting planner campaign to drive sales leads and aid conversion. These successful efforts continue beyond the tenure of this report.

While serving our City and our industry, we are equally committed to serving our clients, visitors and our communities with continued thoughtfulness and integrity. We want to recognize all who partner with us in this endeavor, and there are many.

Thank you for the work you’ve done and the work we will continue to do together for the future of the City of San Jose and Team San Jose.



JOHN LAFORTUNE
*President and Chief
Executive Officer*



JIMMY SARFRAZ
Chairman of the Board

PATH TO RECOVERY

The effects of the COVID-19 pandemic on San Jose's hospitality industry have been substantial and prolonged – severely impacting Team San Jose's operations and the visitor economy. From March 2020 through June 2021, state and local orders to protect the health and safety of the community prohibited group meetings from occurring. In fiscal year 2021-22, Team San Jose was able to safely re-open its facilities and again welcome visitors back to San Jose. However, the path to recovery has been long and uneven. There are three major trends that have defined the past year on San Jose's path to recovery.

**“BUSINESS TRAVEL WON'T
REACH AND EXCEED 2019'S PRE-
PANDEMIC LEVELS UNTIL 2026.”**

– SUZANNE NEUFANG, CEO, GBTA

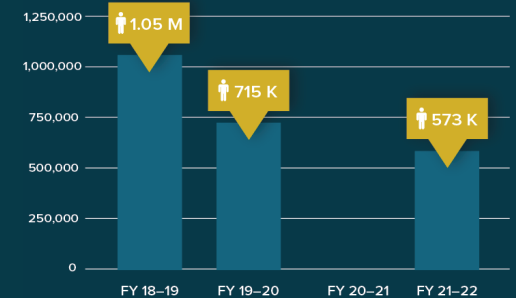


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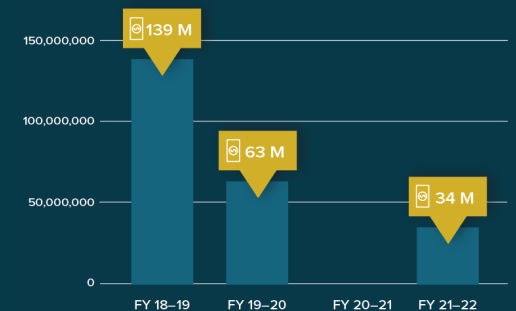
CONFERENCES HAVE RETURNED BUT ARE SIGNIFICANTLY LOWER THAN PRE-PANDEMIC

This transitional year marked a significant step in bouncing back from two years of disruption. Once events and travel started to reopen, vaccination mandates and subsequent waves of variants all had impacts on travel and attendance to TSJ-managed venues. Pent-up demand for theater events and more social-based events helped to spur a quicker recovery for local attendance. However, uncertainty and a slower return to offices hurt professional conferences and the lucrative spending that out-of-town attendees bring. While overall attendance to TSJ-managed facilities recovered to 54% of pre-pandemic levels, overall spending by attendees in San Jose restaurants, bars, hotels and other attractions only reached 25% of pre-pandemic levels.

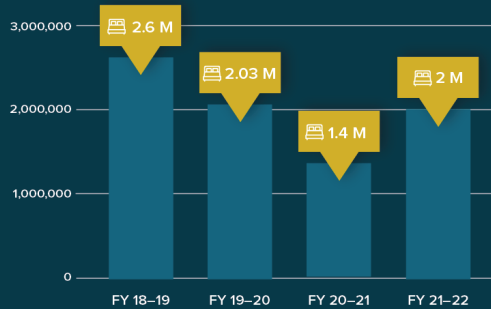
EVENT ATTENDEES AT TSJ-MANAGED FACILITIES



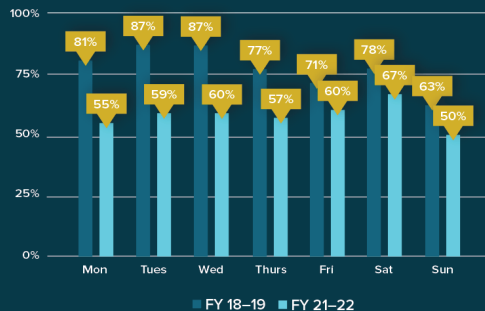
EST VISITOR SPENDING FROM ATTENDEES OF TSJ-MANAGED FACILITIES



TOTAL HOTEL ROOMS SOLD IN SAN JOSE BY FY



HOTEL OCCUPANCY BY DAY OF WEEK
FY 21-22 VS FY 18-19 (PRE-COVID)



Two

THE TYPES OF TRAVELERS TO SAN JOSE HAVE SHIFTED

San Jose's traditional primary travel segments – transient business travelers and event/group business – have been the slowest to recover against national statistics. In addition, the Bay Area's tech companies have lagged behind the national average in making a large shift to work-from-home policies.

Meanwhile, leisure travel has recovered at a much faster pace. While not considered a traditional leisure destination, Team San Jose shifted resources to help bolster this recovery. The impact of the differing recovery rates in segments is highlighted by the shift in peak days of the week for hotel vistration; the leisure-heavy weekend nights of Friday and Saturday have approached their pre-pandemic levels much faster than the business-heavy midweek days. Overall, overnight stays in San Jose recovered to 76% of pre-pandemic levels.

Three

THE OUTLOOK FOR TRAVEL REMAINS UNCERTAIN

After two years of COVID-19 related uncertainty and subsequent waves of variants, the travel industry has begun to feel the effects of myriad other issues including inflation, the war in Ukraine, shifting behaviors among office workers and fear of recession. While many parts of the country have met or exceeded pre-pandemic levels, the Bay Area has been slower to recover.

Team San Jose will continue to align its strategies to navigate this new and evolving landscape to help ensure that travel to San Jose, and its economic benefits for the community, keep growing and recovering.

**“SAN JOSE IS ONE OF FOUR
MARKETS EXPECTED TO DROP
MORE THAN 50% FROM 2019
LEVELS ALONG WITH SAN
FRANCISCO, NEW YORK AND
WASHINGTON DC.”**

— KALIBRI LABS / AMERICAN HOTELAND
LODGING ASSOCIATION REPORT





“MOST INDUSTRY FORECASTS POINT TO AN EVENTUAL RECOVERY — EVEN TO THE 2019 HIGH OF \$1.4 TRILLION IN ANNUAL SPENDING — AS BUSINESS TRIPS START TO BOUNCE BACK. BUT MANY UNDERLYING TRENDS ARE EMERGING IN A FRAGILE GLOBAL ECONOMY. HOW WE TRAVEL, AND FOR WHAT PURPOSE, IS FAR FROM CERTAIN AS WE ENTER A NEW ERA OF ACCOUNTABILITY.”

**— MATTHEW PARSONS, SKIFT
TRAVEL RESEARCH**

TEAM SAN JOSE FY 2021-22 RESULTS

Fiscal Year 2021–22 saw Team San Jose reopen its facilities for the first time in fifteen months. After the pandemic-related forced closure, the organization worked diligently to rehire and train staff, secure future business, welcome visitors and patrons back to our theaters and convention center, and advance our commitment to diversity, equity and inclusion.

A few of the highlights from the year:

HR



**87 FULL-TIME
EMPLOYEES**



**2,248 PART-TIME
EMPLOYEES**



**59 EMPLOYEE
TRAININGS CONDUCTED**

SALES



**101,839 HOTEL ROOM
NIGHTS SOLD FOR ALL
YEARS**



**20 TRADESHOWS
AND CLIENT EVENTS
ATTENDED**



**999 EVENT LEADS
ACQUIRED FOR
FUTURE YEARS**

THEATERS



**158 EVENTS IN SAN
JOSE THEATERS**



**349,775 THEATER
ATTENDEES**

OPS / FINANCE



**38 EVENTS IN THE
SAN JOSE MCENERY
CONVENTION CENTER
AND SOUTH HALL**



**222,768 ATTENDEES IN
TSJ-MANAGED MEETING
SPACES**



**\$23.86M IN GROSS
OPERATING REVENUES**



**\$2.33M IN GROSS
OPERATING RESULTS**



**100% OF SURVEYED
EVENT PLANNERS
WOULD RETURN TO
SAN JOSE FOR A
FUTURE EVENT**



STAYING TOP OF MIND

RESULTS ON A NECESSARY PIVOT TO LEISURE CONSUMERS AND LAUNCH OF MEETINGS LEAD GENERATION CAMPAIGN

Through website development, content creation, digital marketing strategy and partnerships with local artists and influencers, the marketing team leveraged pent-up leisure consumer demand to drive San Jose exploration and spend. A playful, short social media plan turned into a present-day, long-term marketing strategy focusing on visitation and resulting in revenue for local hotels and businesses.

DIGITAL MARKETING STRATEGY

CONSUMER

To drive much-needed revenue directly to our hotels, we used a mix of key digital publishers to maximize investment and reach, ensuring strong saturation of the leisure audience. We also leveraged travel-endemic and hotel-production driving partners while using past-visitor data to ultimately encourage conversion. Our strategy was delivered to those with travel affinity and intent to the Bay Area, and previous visitors to San Jose. We removed household income levels to ensure messaging reached diverse audiences.

The content of the assets served were designed in collaboration with local artists who represented not only different styles and mediums in their art but also represented a cross section of San Jose neighborhoods and ethnicities.

RESULTS

IMPRESSIONS: 170,694,789

TOTAL INQUIRIES: 7,089,581

REVENUE GENERATED: \$35,487,804

ROAS: 26.95

TOTAL SEARCHES: 8,314,027

TOTAL BOOKINGS: 46,649

HOTEL REVENUE: \$8,477,666

TOTAL TAXES GENERATED (EST): \$4,037,272

TOTAL HOTEL TAX GENERATED (EST): \$1,186,873

RESULTS

TOTAL IMPRESSIONS GENERATED BY THE CAMPAIGN FROM OUR LAUNCH IN APRIL-JUNE 30 WERE 8.1M AND TOTAL CLICKS WERE **29,256**.

THE CAMPAIGN GENERATED **27,838 INQUIRIES**.

251 LEADS WERE GENERATED THROUGHOUT THE CAMPAIGN.

PAID SOCIAL DELIVERED **1,391 LINK CLICKS** AND **177,363 IMPRESSIONS**.

2,274 INQUIRIES WERE MADE BY PEOPLE WHO CLICKED ON THE PAID SOCIAL ADS.

TOP MARKETS WERE SAN FRANCISCO-OAKLAND-SAN JOSE, LOS ANGELES AND NEW YORK.

DIGITAL MARKETING STRATEGY

MEETINGS MEDIA CAMPAIGN

We worked to secure new meetings business and group hotel bookings by launching meetings-specific campaigns to drive awareness, engagement and leads. For this campaign, we focused on a few key group categories: group planners (large and small) travel agents. This gave us the ability to narrowly target our intended audience to use custom awareness tactics to foster a healthy amount of lead generating and converting tactics to ensure we were collecting quality leads to ultimately lead to more bookings.

Even with the progress we have made, the entire Bay Area is still behind every other national destination on the return of meetings and conventions. Building a path to real recovery will require a focus on recapturing meetings and conventions business and seeing a return of midweek bookings. Our targeted media approach is heavily focused on this business and promoting the world-class facilities our city has to offer these important segments.

EARNED MEDIA ACCOMPLISHMENTS

PR

Team San Jose garnered 105 pieces of coverage to highlight the activities around recovery and economic development in our venues and across the city. In total, the coverage reached over 333 million people and generated an estimated advertising value of \$3.7 million.

Stories centered around key messaging pillars such as promoting vibrant San Jose neighborhoods, visitor health and safety, the return of large events and festivals, and educating the public on the economic impact of travel and hospitality to the economy. Highlights of the year included Team San Jose's coordination to host a live one-hour show by KTVU Fox 2 from Plaza de Cesar Chavez to promote San Jose Jazz Summer Fest, the opening of Signia by Hilton San Jose, and Team San Jose's industry efforts to recognize the contributions of the hospitality industry to communities as part of National Travel and Tourism Week.





COMMUNITY PARTNERSHIPS

Team San Jose strengthened community relationships and bridged new partnerships to positively impact the city's recovery. We honed into efforts to tell San Jose's story to clients and visitors by offering our owned resources and platforms to feature community organizations and events.

In addition, Visit San Jose launched Neighborhood Spotlight, a brand-new series of e-newsletter content that's dedicated to highlighting all eighteen of San Jose's unique neighborhoods to our consumer database of nearly 80,000 subscribers. Each feature showcases things to do, where to stay and what to eat – all to inspire local exploration and encourage visitors to venture out to experience San Jose.

**SANTA CLARA COUNTY POET
LAUREATE PROGRAM**

SAN JOSE JAZZ

MUBADALA SILICON VALLEY CLASSIC

SOUTH FIRST FRIDAYS

WINCHESTER MYSTERY HOUSE

SAN JOSE WALLS

HAPPY HOLLOW PARK & ZOO

VEGGIELUTION

BROADWAY SAN JOSE

SAN JOSE EARTHQUAKES

SAN JOSE SPORTS AUTHORITY

MOSAIC AMERICA

HISTORY SAN JOSE

URBAN VIBRANCY INSTITUTE

SAN JOSE SHARKS

SYMPHONY SAN JOSE

OPERA SAN JOSE

DOWNTOWN SAN JOSE ASSOCIATION

HUNGER AT HOME

SAN JOSE STATE UNIVERSITY

**CHILDREN'S MUSICAL THEATER
SAN JOSE**

CLIENT ADVISORY BOARD

Team San Jose's Client Advisory Board continued to offer their expertise on how to improve and refine the event planner experience in San Jose. The board, a collection of seasoned event industry professionals with knowledge across the meetings industry, provides input on best practices, advises on product development and offers valuable insights into emerging trends that impact customers.

ERIKA BRUNKE

Google

KIMBERLY COERR

Optica

LAURIE DALTON WHITE

Conferences for Women

CORY FRANSWAY, CMM

Maritz Global Events

JUSTINE FRIEDMAN, CMP

The Linux Foundation

MARCO GALLO

Western Digital

NADINE GEORGE

Visa, Inc.

SARA MORRIS

*American Association
of Clinical Endocrinology*

JEFF KAHN, CPA, CMP

SPIE

AMY MACKRETH

Databricks

ROBERT NOLEN

*BDR Events Services &
Informa Markets*

KELLEY SCHMIDT

FNtech

CHARLENE SMITH

Cisco

DARLENE SOMERS, CMP, DES

*International Association of Venue
Managers*

WENDY STEVENS

Talley Management Group, Inc.

JACQUELINE YEPEZ

Socure



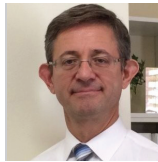
BOARD OF DIRECTORS

Team San Jose is overseen by a Board of Directors made up of 19 representatives from the hotel, labor, business and arts communities. Two liaison seats are held by representatives of the City of San Jose.

HOTEL PARTNERS



BRENT GAINES
*Hotel Valencia
Santana Row*



YVES HANSEL
*Holiday Inn San Jose
– Silicon Valley*



BHARAT LUGANI
Hilton San Jose

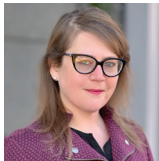


JIMMY SARFRAZ
*Signia by Hilton San Jose
Chairman of the Board*



JOHN SOUTHWELL
San Jose Marriott

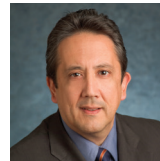
LABOR PARTNERS



JEAN COHEN
South Bay Labor Council



BILL FAIRWEATHER
IATSE Local 134



ENRIQUE FERNANDEZ
UNITE HERE Local 19



OWEN MURPHY
*Sign Display
Local 150*

BUSINESS COMMUNITY PARTNERS



MICHAEL E. FOX, JR.
Goodwill Industries



MICHAEL MULCAHY
SDS NexGen Partners, LP



CHUCK TOENISKOETTER
*Toeniskoetter Development, Inc.
Treasurer*



RU WEERAKOON
Weerakoon Company

ARTS PARTNERS



SHAWNA LUCEY
Opera San Jose



DANA ZELL
*Children's Musical Theater
San Jose*

CITY PARTNERS



KERRY ADAMS HAPNER
City of San Jose



RAUL PERALEZ
*Councilmember, D3,
City of San Jose*

DEPARTING BOARD MEMBERS



ANDREW BALES
Opera San Jose



TANYA FLEMING
*Holiday Inn San Jose –
Silicon Valley*

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*



TANYA FLEMING
Vice President, Operations



MATTHEW MARTINUCCI
*Vice President, Sales &
Destination Services*



BEN ROSCHKE
*Vice President, Research
& Strategic Development*



Thank you!

As we pushed through the challenges presented, the support from each partner has been invaluable. We promise that we will continue, with diligence and resolution, to focus on recovery and rebuild San Jose's meetings and conventions business. A long road lies ahead of us, but together, we can successfully navigate all that it may bring.

Thank you for all that you do for Team San Jose and the City of San Jose.

