

TEAM SAN JOSE

Annual Report

Fiscal Year 2022–2023



SAN JOSE
THEATERS



ABOUT TEAM SAN JOSE

Team San Jose is an innovative partnership unifying the San Jose Convention and Visitors Bureau, hotels, arts, venues and laborers to deliver an exceptional visitor experience and serve as the gateway to San Jose as a destination. Our company manages the San Jose McEnery Convention Center and entertainment venues, including the California Theatre, the San Jose 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 that benefits 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 visitors.
- 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,

This past year was one of innovation, hard work and diligence for our organization, industry and for our city. Although 2022 saw San Jose bring in a **total citywide visitor spend of \$2.4 billion**, our focus on bringing group business back to pre-COVID attendance and revenue remained top of mind for all at Team San Jose. Our fully staffed Sales team evolved and embraced strategies to capture bookings in new group verticals. With strong support from Marketing and an Event Services staff poised to deliver the best experience available, all worked to ensure that San Jose became a sought-after destination for meetings and events in every market segment.

Additionally, our forward-thinking approach to sustainability set the bar for the rest of the industry, and we began our important work toward completion of the California Green Business Certification with the County of Santa Clara. Through our green meetings initiatives and important changes at the San Jose McEnery Convention Center, we made it easy for clients to host eco-friendly events with small carbon footprints. As we move into the next fiscal year, we commit to continue serving our citizens, industry, clients and visitors through this important intention – and with continued integrity.

We are proud of all the work done and equally proud to present to you the Fiscal Year 2022–2023 Annual Report. By doing so, we recognize the many people who partnered with us. Without you, none of this would be possible. Thank you for all that you do for Team San Jose and for our city. We are committed to continued success in the next year and in moving forward together.

Sincerely,

John LaFortune, President and Chief Executive Officer
Brent Gaines, Chairman of the Board



JOHN LAFORTUNE
*President and
Chief Executive Officer*



BRENT GAINES
Chairman of the Board

PLANNING FOR SUCCESS

While the fiscal year saw still-lingering effects from the COVID-19 pandemic and associated shutdowns, what we experienced more was a renewed passion for establishing San Jose as a premier destination, a revised focus on areas of potential growth and a variety of successes that – when taken together – are setting San Jose up for a bright future.

Through diversifying our sales approach and targeting new markets, we have secured contracts with exciting new business verticals that will continue to benefit the city for years to come. Due to the slow return of hotel and Convention Center

business recovery, Team San Jose used considerable funds to promote digital leisure and meeting planner campaigns designed specifically to immediately increase hotel occupancy and improve Convention Center bookings. This successful marketing focus resulted in important growth, increased awareness of the city as a great place to live, work, meet and visit, and a significant jump in visitor spend.

With the data from a sentiment research study that compiled the responses of planners and attendees across key markets, we were able to gain important insight into how each

sees our city, what they know us for and what they don't know about us. This new information helped inform Team San Jose's strategic approaches to sales and marketing and continues to do so as we move into next fiscal year.

This past fiscal year has laid the foundation for exciting years ahead. Intentionally learning from our challenges – even more than our victories – has given us a level of expertise that is allowing us to deliver original results and have a positive impact on every person, community and business in San Jose.





key insight

FROM 2023 MEETINGS
SENTIMENT RESEARCH STUDY

**BOTH PLANNERS AND ATTENDEES
DESCRIBE SAN JOSE AS BEAUTIFUL,
FUN AND INNOVATIVE.**



THE CURRENT STATE OF CONFERENCES

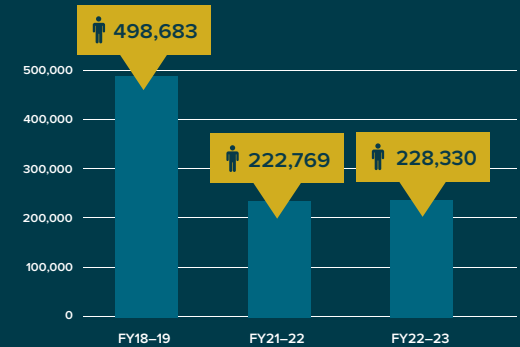
Conferences in San Jose have changed drastically over the past few years. The pandemic may have forever altered how major tech companies meet, necessitating an evolution to our approach to booking the Convention Center.

While we are still behind pre-pandemic performance levels, the targeted tactics of our Sales team have delivered impressive growth and secured significant business on the books for the coming years. Their innovative approach to lead solicitation is proving successful, and the actions they have taken over the past fiscal year will continue to exponentially benefit San Jose.

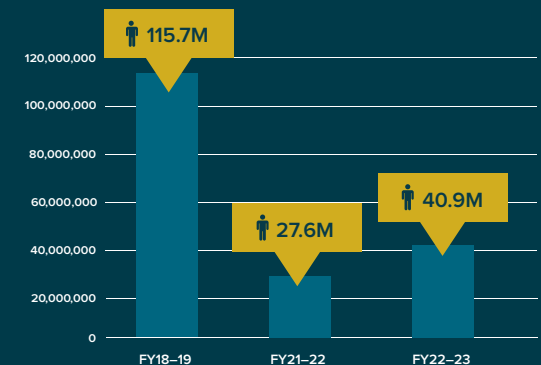
CONFERENCE GROWTH:

- Number of conferences booked is 24% higher than FY21–22 and at 50% of FY18–19.
- 48% YOY growth in visitor spending at convention center facilities with just a 3% increase in attendees over the last fiscal year.
- During FY22–23, total attendance at TSJ-managed facilities was 770,516.
- The total economic impact for the fiscal year amounted to \$52M.

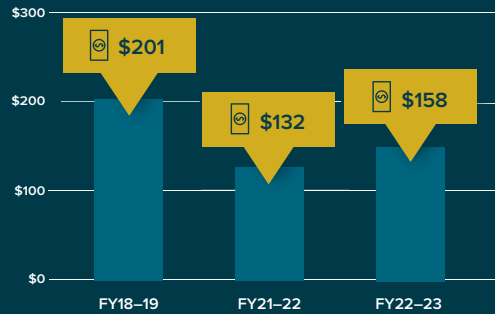
EVENT ATTENDEES AT CONVENTION FACILITIES (SJCC AND SOUTH HALL)



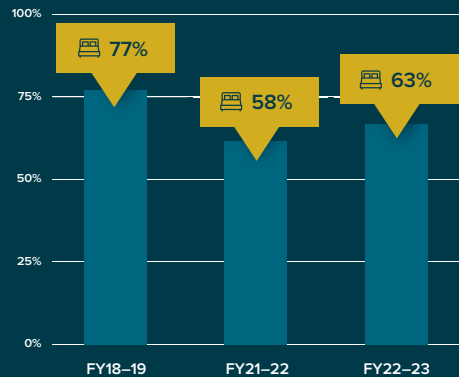
EST. VISITOR SPENDING FROM ATTENDEES OF CONVENTION FACILITIES (SJCC AND SOUTH HALL)



AVERAGE DAILY HOTEL RATE BY FY



PERCENTAGE OF HOTEL ROOMS OCCUPIED BY FY



HOTEL RECOVERY MARCHES ON

We continue to see recovery in San Jose's hotels, with **YOY growth in all categories.**

The efforts of the Sales team to drive meetings and events occupancy successfully contributed to our highest hotel occupancy on Tuesday and Wednesday (68%) followed by Saturday (67%), a stark contrast to last year where Saturday (67%) and Friday (60%) came in highest.

The 5% increase in occupancy combined with the 20% increase in average daily rate produced a **30% increase in revenue per available room** over the prior year. With occupancy lagging only 14% behind pre-pandemic performance, our hotels have made a substantial recovery due to the concerted efforts of Team San Jose.

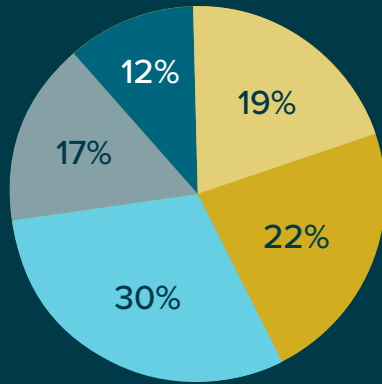


key insight

FROM 2023 CONSUMER
SENTIMENT RESEARCH STUDY

**RESPONDENTS ASSOCIATE SAN
JOSE THE MOST WITH LIVE MUSIC
AND CULTURAL ATTRACTIONS,
AND RATE CULINARY EXPERIENCES
HIGH ACROSS MARKETS.**

FAMILIARITY WITH SAN JOSE



- Extremely familiar
- Very familiar
- Familiar
- Slightly familiar
- Not at all familiar

Key insight

FROM 2023 CONSUMER
SENTIMENT RESEARCH STUDY

**WHILE 52% OF RESPONDENTS
ARE VERY OR EXTREMELY
FAMILIAR WITH SAN JOSE AS
A DESTINATION, INTEREST HAS
ROOM TO GROW.**



TEAM SAN JOSE FY22-23 UPDATE

The following results speak to the resilience, determination and dedication of Team San Jose in FY22-23:



THEATERS



224 EVENTS IN SAN JOSE THEATERS



542,186 THEATER ATTENDEES

SALES



111,486 HOTEL ROOM NIGHTS SOLD FOR ALL YEARS



33 TRADESHOWS AND CLIENT EVENTS ATTENDED



1,031 EVENT LEADS ACQUIRED FOR FUTURE YEARS

ECONOMIC IMPACT IN SAN JOSE CALENDAR YEAR 2022



\$2.4B IN DIRECT VISITOR SPENDING



\$3.2B TOTAL ECONOMIC IMPACT



21,135 TOTAL JOBS CREATED



\$367M GENERATED IN STATE AND LOCAL TAXES

OPS / FINANCE



50 EVENTS IN THE SAN JOSE MCENERY CONVENTION CENTER AND SOUTH HALL



228,330 ATTENDEES IN CONVENTION FACILITIES (SCJJ AND SOUTH HALL)



\$52M TOTAL ATTENDEE SPEND IN TSJ-MANAGED FACILITIES



\$33.5M IN GROSS OPERATING REVENUES



\$2.9M IN GROSS OPERATING RESULTS



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

HR



102 FULL-TIME EMPLOYEES



2,321 PART-TIME EMPLOYEES



73 EMPLOYEE TRAININGS COMPLETED

CREATING SUSTAINABLE EVENTS

Team San Jose has made impressive strides in joining with the San Jose City Council's Pathway to Carbon Neutrality by 2023 Plan to accelerate San Jose's climate action, and **Team San Jose earned the California Green Business Certification** through the County of Santa Clara and California Green Business Network.



Below are some highlights of Team San Jose's latest efforts:

- Recycled over 80% (191 tons) of waste collected from the meetings campus in 2021 (191 tons diverted).
- Used recycled, biodegradable and 100% compostable or reusable products.
- Recycled all paper products.
- First to offer ChargePoint America electric vehicle charging stations.
- Partnered with local agencies to recycle carpeting, plastic, glass, aluminum, cardboard, paper, biohazard materials, electronics, tree trimmings, biodegradable containers and all food compost.
- Upgraded the exhibit hall lighting to the best and most innovative system in North America that will consume 80% less power.
- Installed energy-efficient LED plasma screens and digital marquees for event advertising.
- Closed the hot water loop, saving 365,000 gallons of water annually.
- Switched over to Green Seal–certified cleaning products, limiting harmful VOC particulates in the air.

GREEN MEETINGS

We are proud of the efforts our team has made to become a leader in the sustainable meetings space by implementing comprehensive eco-friendly practices, products and services. From partner hotels to the San Jose McEnery Convention Center and the San Jose Mineta International Airport (SJC), San Jose's visitor industry is working to minimize our travelers' carbon footprints.

Our culinary team embodies San Jose's Climate Smart initiative by sourcing the freshest local ingredients within a 150-mile radius. The San Jose McEnery Convention Center is one of the few convention centers to compost food waste, and it provides only certified-compostable, carbon-neutral, plant-based meal packaging products and serveware. The team also donates and delivers meals to local food banks and shelters.

Looking over the past year, our driven team set ambitious goals, created strong plans to achieve the city's new sustainability action plan and made impressive progress toward that aim.





“AS UNIQUE AS SOME OF OUR CHALLENGES HAVE BEEN, WE ARE NOW EXECUTING VERY DIFFERENTLY THAN WE EVER HAVE WITH NEW INTELLIGENT STRATEGIES.”

— MATTHEW MARTINUCCI,
VICE PRESIDENT OF SALES
& DESTINATION SERVICES



SALES

By providing clients with friendly assistance, expertise, and comprehensive guides and materials, our Sales team makes it easy for planners to put on a successful event.

The post-pandemic decline in tech company bookings starkly highlighted a new reality: In order to achieve a full recovery in meetings and events, we needed to look past a singular type of booking. Just as a mosaic is made with pieces of different shapes, sizes and colors, Team San Jose needed to find a way to piece together a calendar filled with a variety of events and groups.

Through intelligent solicitation and reaching out to groups not previously targeted by the Sales team, we were able to surpass our goal for the fiscal year. **Bookings for state association business quadrupled** in FY22–23, and **youth sports doubled**. By working with groups that didn’t think it was possible to afford an event in San Jose, but were flexible with their dates, we have been able to secure valuable hotel bookings during off-peak times.

SALES TACTICS

San Jose isn't just a city with a convention center. What San Jose has to offer differentiates it from other California cities, and selling this to planners has been a key tactic that has produced results for our team.

We also focused on a new success metric this past year: booking numbers and growth over the next two to three years. This focus has resulted in continued YOY growth on the books for upcoming years.

SALES INITIATIVES

- Achieved a positive trend in lead generation by employing complementary tactics.
- Exposed the Sales team to attractions and activities outside of meetings and events to better equip them to sell San Jose as more than just an event destination.
- Embraced new marketing initiatives to ensure cohesive brand messaging, thus creating new sales collateral as well as elevated sponsorships.
- Forged four important partnerships to provide better qualified leads for the team:

DMI – representation company for DMOs and hotels; provides San Jose with sales contacts in cities across the country to strengthen our national reach.

MINT – database of convention center groups; allows the team to refine and strengthen sales targeting.

NOMAD – database for group hotel bookings; gives the team quality lead information.

SAN FRANCISCO TRAVEL – provides Team San Jose with qualified leads while still earning the credit for those leads.



91% DAYS OCCUPIED

68% YOY GROWTH

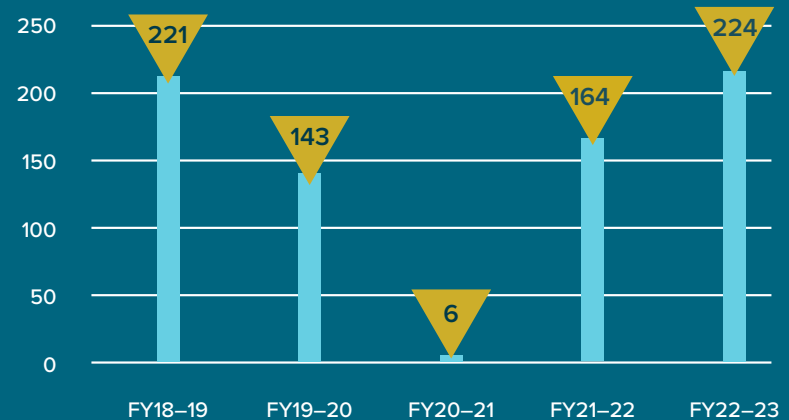
542,186 THEATER ATTENDANCE

\$11,021,496 TOTAL ATTENDEE SPEND

THEATERS

While San Jose's theaters draw crowds for their best-in-class performing arts, they are also premier event hosts. Planners create memorable experiences in these unique venues, and by driving interest to these iconic landmarks, we also hope to help preserve them for future generations. Our increased focus on promoting these priceless venues has seen an increase in the number of events this year compared to prior years.

EVENT COUNT



DIGITAL MARKETING STRATEGY

FY22-23 CONSUMER OVERVIEW:

With the objective of driving hotel bookings and revenue, our FY22-23 media plan targeted travelers showing intent, as well as repeat visitors, to stay and explore in San Jose. We took an always-on approach, ensuring that the media platforms allowed for the flexibility to align with shifts in consumption habits, and utilized a mix of key endemic, digital and premium publishers. This strategy allowed us to maximize our investment and reach across our key markets.

To highlight some of San Jose's greatest attributes, we continued the "San Jose Love" creative campaign. We focused on four local artists and their San Jose-inspired work in our digital, search and paid social advertisements. This year's new creative work featured the destination's widespread global cuisine, showcasing restaurants across multiple communities. We emphasized culture, creativity and community. With this approach, we shined a light on the city's community, key attractions, rich history and more.

RESULTS

IMPRESSIONS: 145,449,217

INQUIRIES: 9,112,861

REVENUE GENERATED: \$35,801,621

HOTEL REVENUE: \$13,962,632

FLIGHTS REVENUE: \$21,838,989

TOTAL RETURN ON AD SPEND: \$34.49

TOTAL SEARCHES: 5,707,003

HOTEL SEARCHES: 2,225,731

FLIGHT SEARCHES: 3,481,272

TOTAL BOOKINGS: 51,036

HOTEL BOOKINGS: 19,904

FLIGHT BOOKINGS: 31,132

PAID SOCIAL RESULTS

IMPRESSIONS: 25,137,979

CLICKS: 113,425

INQUIRIES: 57,823

DIGITAL MARKETING STRATEGY

FY22-23 MEETINGS OVERVIEW:

Our campaign strategy prioritized outreach to planners and attendees to drive new meetings business and group hotel bookings. Our goal was to utilize conversion and awareness tactics to position San Jose as a desirable and accommodating destination for meetings and conventions. We focused on driving increased engagement with content and conversion points to increase qualified leads and bookings.

We also optimized creative messaging by testing two versions. One version showcased the experiential side of business travel and included images of groups enjoying food and beverages. The second version highlighted quintessential meeting venues, particularly the destination's outdoor spaces. The food and beverage creative performed stronger than the venue/outdoor-focused creative. These results have given us valuable insights into meeting planners' and attendees' preferences.

RESULTS

IMPRESSIONS: 65,343,603

INQUIRIES: 2,681,716

RFPs: 120

SALES LEADS: 1,395
(contacts provided by Sales team)

MEDIA LEADS: 1,879
(webinar leads provided by media vendors,
direct on-site and modal sign-ups)

ROAS: \$4.24

PAID SOCIAL RESULTS

IMPRESSIONS: 27,076,001

CLICKS: 40,705

INQUIRIES: 204,923





TRAVELER

TRAVEL+ LEISURE



CBS NEWS BAY AREA

**“TEAM SAN JOSE SECURED
BROADCAST COVERAGE
HIGHLIGHTING THE FIFA
WORLD CUP LIGHT ACTIVATION
IN DOWNTOWN SAN JOSE
WITH ABC, NBC AND OTHER
NEWS OUTLETS.”**

— FRANCES WONG,
DIRECTOR OF MARKETING,
COMMUNICATIONS &
GLOBAL MEDIA RELATIONS

EARNED MEDIA ACCOMPLISHMENTS

Our PR team dedicates themselves to generating buzz and creating awareness around everything San Jose. Their efforts over FY22–23 have resulted in the placement of 60 stories in national and local publications and outlets that have generated:

- **47.1M unique views, a 73% increase over the previous FY.**
- **Ad value of \$358.5K, a 15% increase over the previous FY.**

For the first half of the fiscal year, the PR team strategically focused on putting San Jose top of mind for travel while highlighting the beneficial economic impacts of tourism. They successfully pitched themes around the return of travel to San Jose, the impact of travel on the local economy and trending leisure travel spots that were covered by Thrillist, USA TODAY, the History Channel and more.

Shifting focus to position San Jose as a meetings and leisure destination, the PR team secured media coverage of the Genesis Gaming G9 E-Sports Tournament, meetings in San Jose as well as stories about the rich history of our city. News coverage of the Genesis Gaming Tournament and other press hits appeared in Travel + Leisure, National Geographic Traveller, the Silicon Valley Business Journal and other publications.








ORGANIC SOCIAL GROWTH

Team San Jose experienced strong organic growth across all social media channels, including a **24% YOY increase in followers** across Instagram, Facebook, LinkedIn, X (formerly Twitter), YouTube, Pinterest and TikTok (a newer addition). Recognizing that followers can be a bit of a vanity metric, the truly impressive result is the **12% average social engagement rate**, up from 1.5% recorded June through December 2022. These increases were made despite a continued pause on X, formerly Twitter, which is down only 2.8% over figures seen in June 2022.

We attribute our organic social success to several factors:

- Weekly cadence of social posts.
- Increase usage of short-form video posts.

SOCIAL FOLLOWER COUNT

	PLATFORM	JUN 2022	JUN 2023	YOY
	FACEBOOK	29,009	30,475	5.05%
	INSTAGRAM	16,841	28,545	69.50%
	X [TWITTER]	8,639	8,398	-2.79%
	LINKEDIN	2,751	3,105	12.87%
	YOUTUBE	437	460	5.26%
	PINTEREST	579	633	9.33%
	TIKTOK	-	371	-
		58,256	71,987	23.57%

BOARD OF DIRECTORS

Team San Jose is overseen by a Board of Directors made up of 19 representatives. Of the total, 17 voting members are from the hotel, labor, business and arts communities. Two liaison seats are held by representatives of the City of San Jose.

BUSINESS COMMUNITY PARTNERS



TAMARA ALVARADO
David & Lucile Packard
Foundation



MICHAEL E. FOX, JR.
Goodwill Industries



MICHAEL MULCAHY
SDS NexGen Partners, LP



CHUCK TOENISKOETTER
Toeniskoetter Development,
Inc., Treasurer



RU WEERAKOON
Weerakoon Company

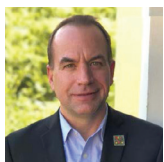


KERRY ADAMS HAPNER
City of San Jose

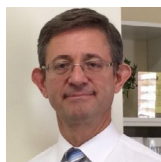


OMAR TORRES
Councilmember, D3,
City of San Jose

HOTEL PARTNERS



BRENT GAINES
Chairman of the Board



YVES HANSEL
Holiday Inn San Jose
– Silicon Valley



CATHERINE HENDRICKS
Hilton San Jose



JOHN SOUTHWELL
San Jose Marriott



SHAWNA LUCEY
Opera of San Jose

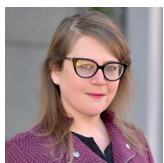


ROBERT MASSEY
Symphony San Jose



DANA ZELL
Children's Musical Theater
San Jose

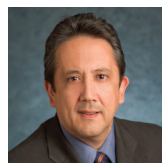
LABOR PARTNERS



JEAN COHEN
South Bay Labor Council



BILL FAIRWEATHER
IATSE Local 134



ENRIQUE FERNANDEZ
UNITE HERE Local 19



OWEN MURPHY
Sign Display
Local 150



BHARAT LUGANI
Hilton San Jose



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



RAUL PERALEZ
Councilmember, D3,
City of San Jose

DEPARTING BOARD MEMBERS

SENIOR TEAM



JOHN LAFORTUNE
President & CEO



IHAB SABRY
CFO



MADINA MOORE
EVP of Human Resources



LAURA CHMIELEWSKI
VP of Marketing & Communications



TANYA FLEMING
VP of Operations



MATTHEW MARTINUCCI
VP of Sales & Destination Services



BEN ROSCHKE
VP of Research & Strategic Development



Thank you!

Thank you to our Board of Directors and to the entire staff at Team San Jose. Your work has positioned our city and its economy for a strong post-pandemic recovery. Your partnerships and drive to support the community elevate everything we do. We are fortunate to have your support and look forward to our continued collaboration.

Please accept our deepest gratitude for all you do for Team San Jose and the City of San Jose.