



Santa Clara Convention  
Center

Governance and  
Business Engagement  
Workshop

**November 15, 2018**



# Agenda

1. Welcome & Introduction
2. Public Comment
3. Presentation on Convention Center Business and Governance Models
4. Presentation on Request for Proposals
5. Visioning Dialogue & Input
6. Next Steps



# Welcome & Introduction



# Overview

- City Council has taken several actions to address recent findings relative to the Convention Center
- RFP Presents New Opportunity for City of Santa Clara and Convention Center and Convention Visitors' Bureau (CVB) Operations
- Governance and Business Engagement is key to our success
- Opportunity to strategically think about the future of the Convention Center, CVB, City's role, and Vision for the Future



# Today's Work

## **Begins first step for establishing relationship with future operator:**

- **Governance** -- Express ideal operations and outcomes of Convention Center and City's oversight
- **Input** – Informs proposers, panelists and review of submittals with eye toward alignment to vision, goals, and outcomes desired
- **Workplan** – Management, reporting/oversight, business engagement, and relationship with new operator



# Public Comment

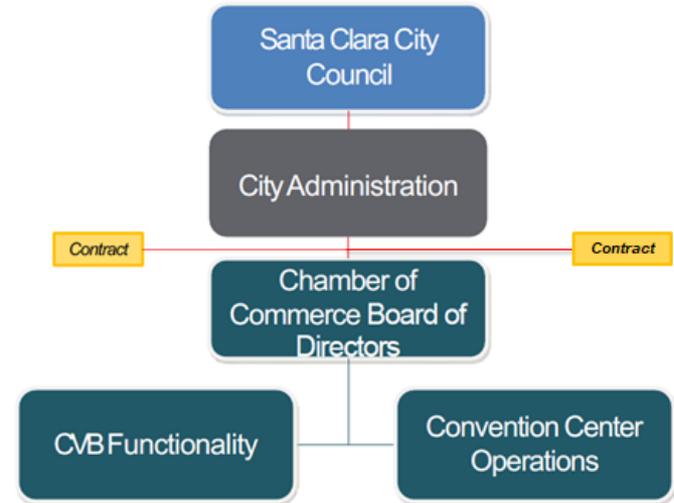


# Convention Center Business and Governance Models



# Current Model:

- Chamber of Commerce - operator of both SCCC and CVB through two separate contracts with the City
- CVB and the SCCC operations were two divisions within Chamber
- Staff are employees of the Chamber





# Moving to the Next Model

- Modular RFP allows for bidders to participate in governance structure through the submittal of its business model
- Council should weigh in on areas that City should directly oversee, as owner of public asset
- City assembling pieces of governance structure through the procurement process.
- A lot of decisions still to be made on governance



# There Will Be Trade Offs

**City**  
(Governing Body)



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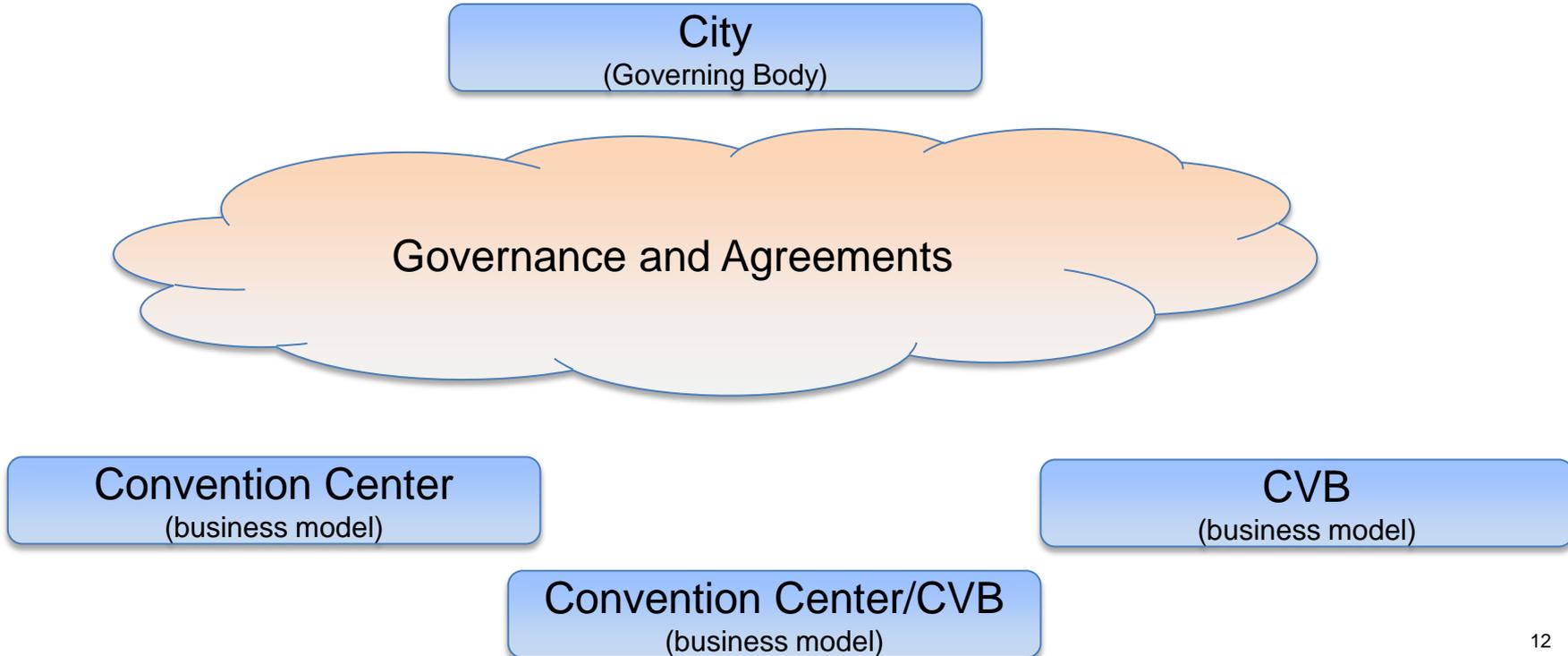
**Convention Center**  
(business model)

**CVB**  
(business model)

**Convention Center/CVB**  
(business model)

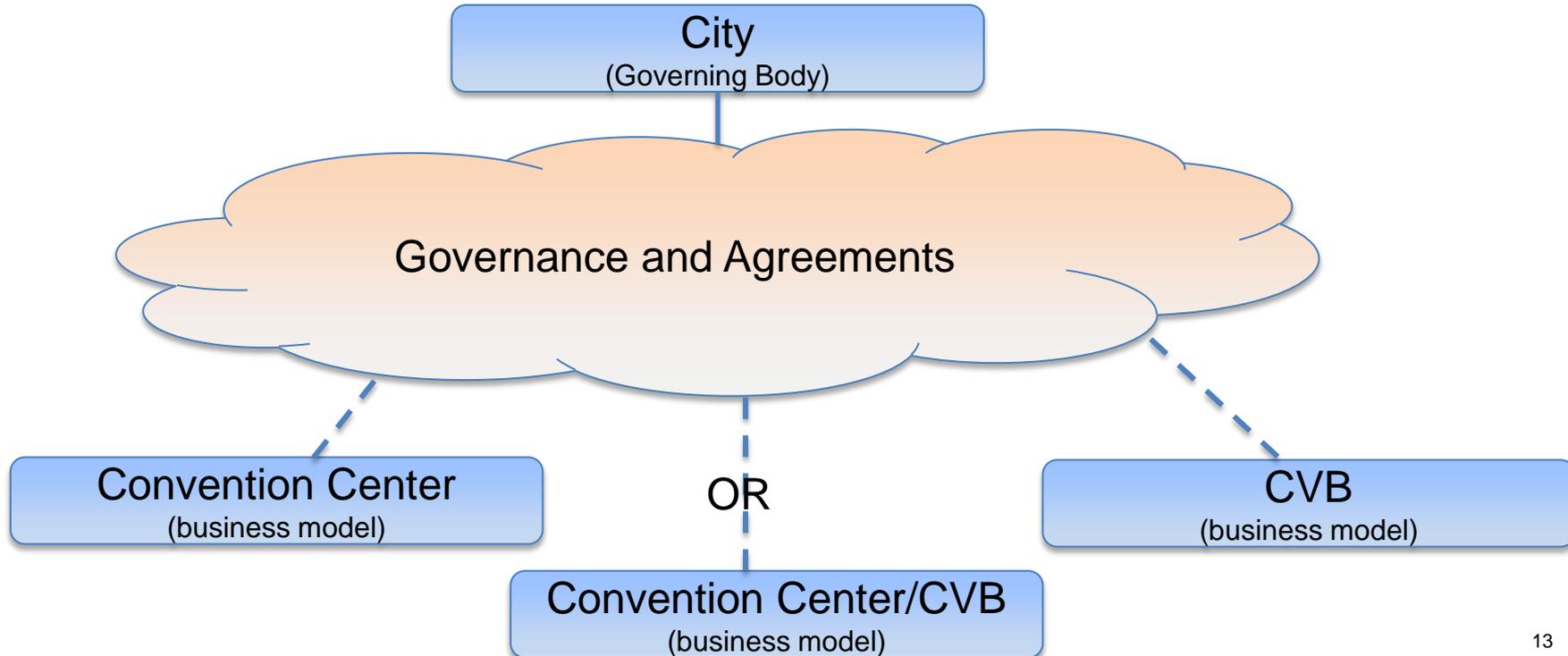


# There Will Be Trade Offs



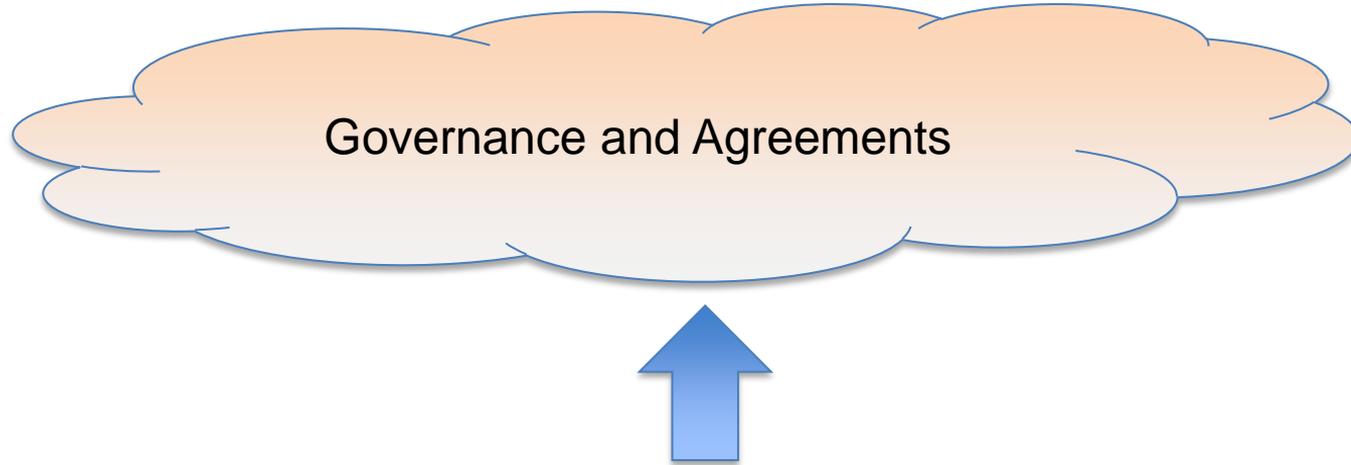


# There Will Be Trade Offs





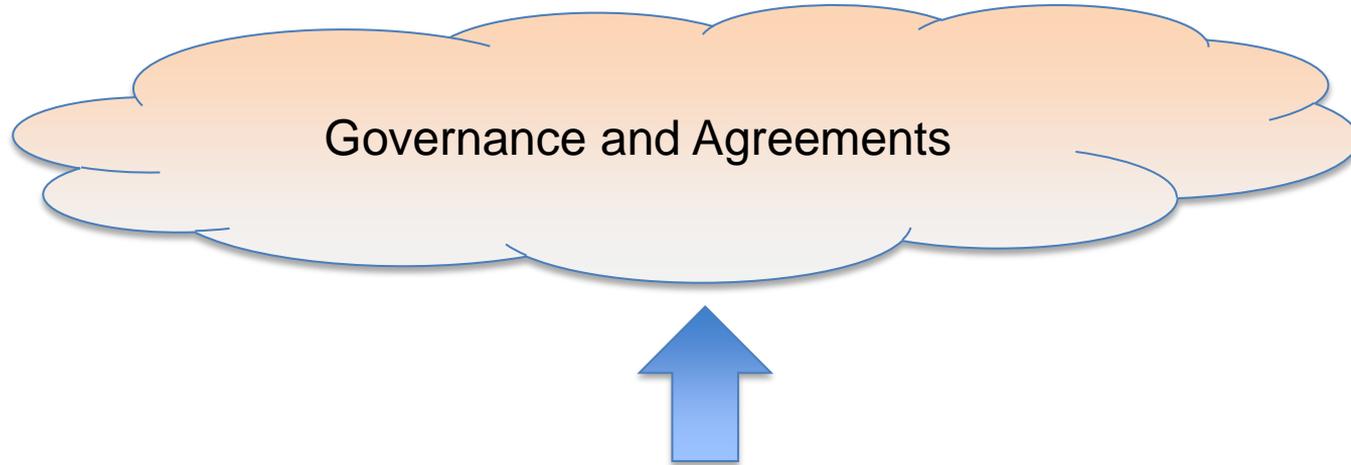
# There Will Be Trade Offs



- **City Role** – Public Asset/Council policies
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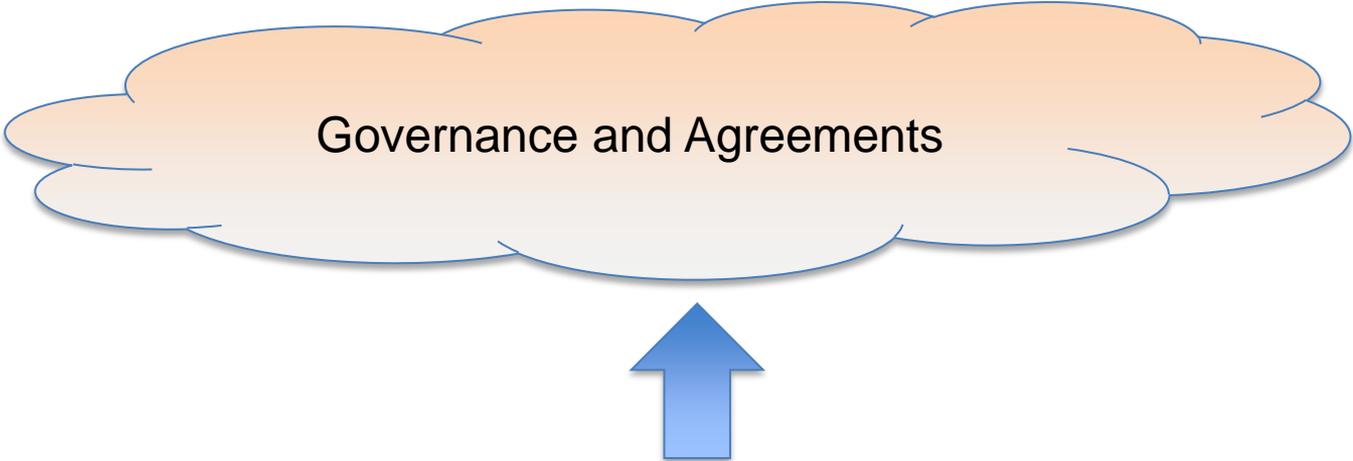
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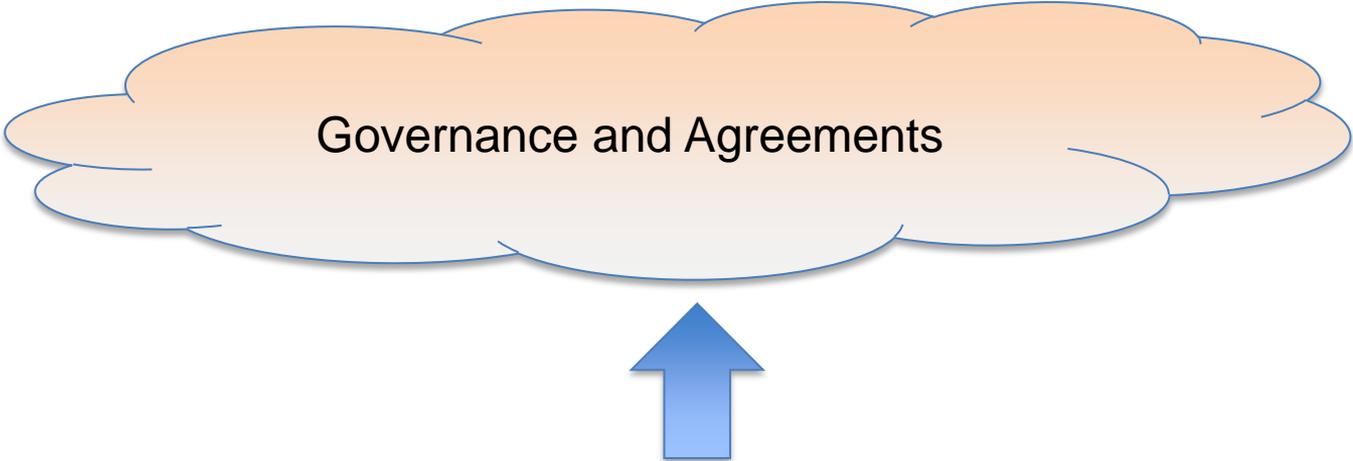


Governance and Agreements

- **City Role** – Public Asset/Council policies
- **Bidders** – Business Model
- **Stakeholder Input** – Workshop (Review Panel/Staff)
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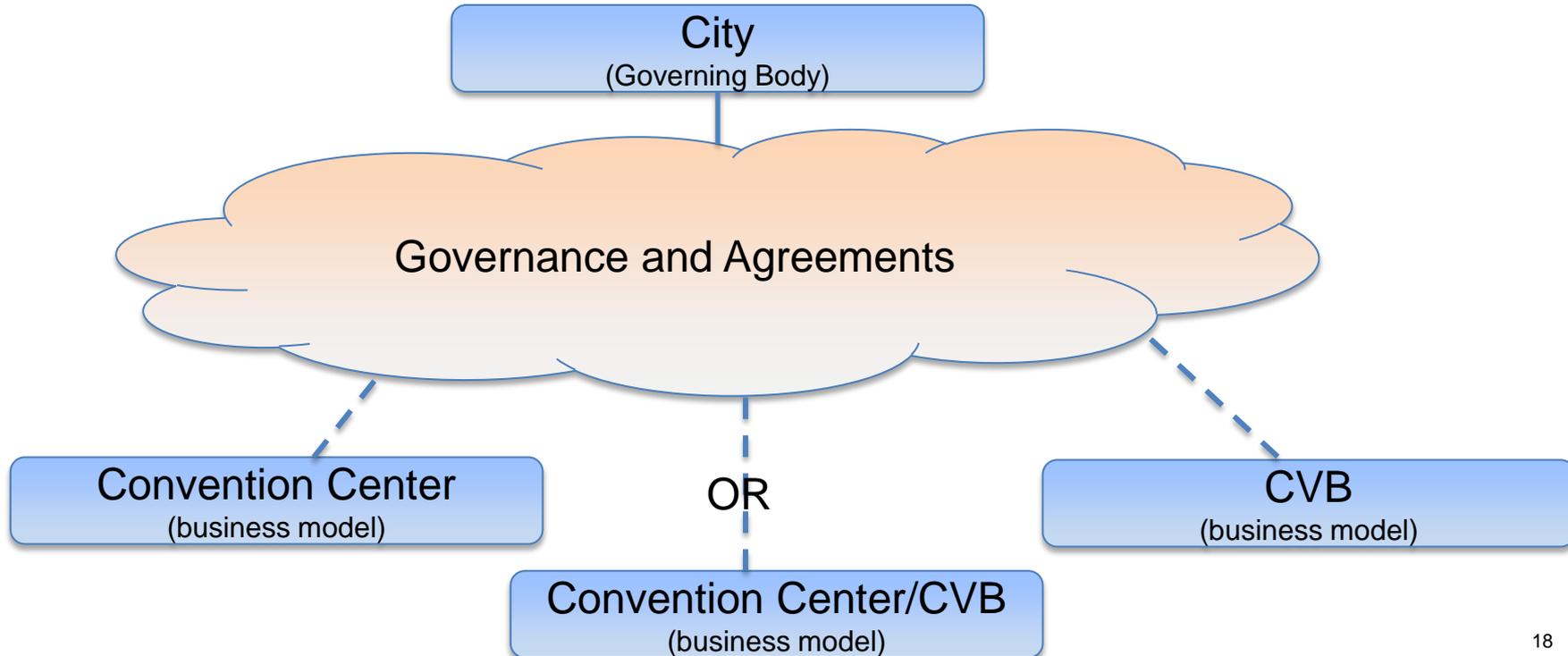


Governance and Agreements

- **City Role** – Public Asset/Council policies
- **Bidders** – Business Model
- **Stakeholder Input** – Workshop (Review Panel/Staff)
- **Legal/Oversight** – Public Admin Law and Mgmt requirements of publicly owned asset

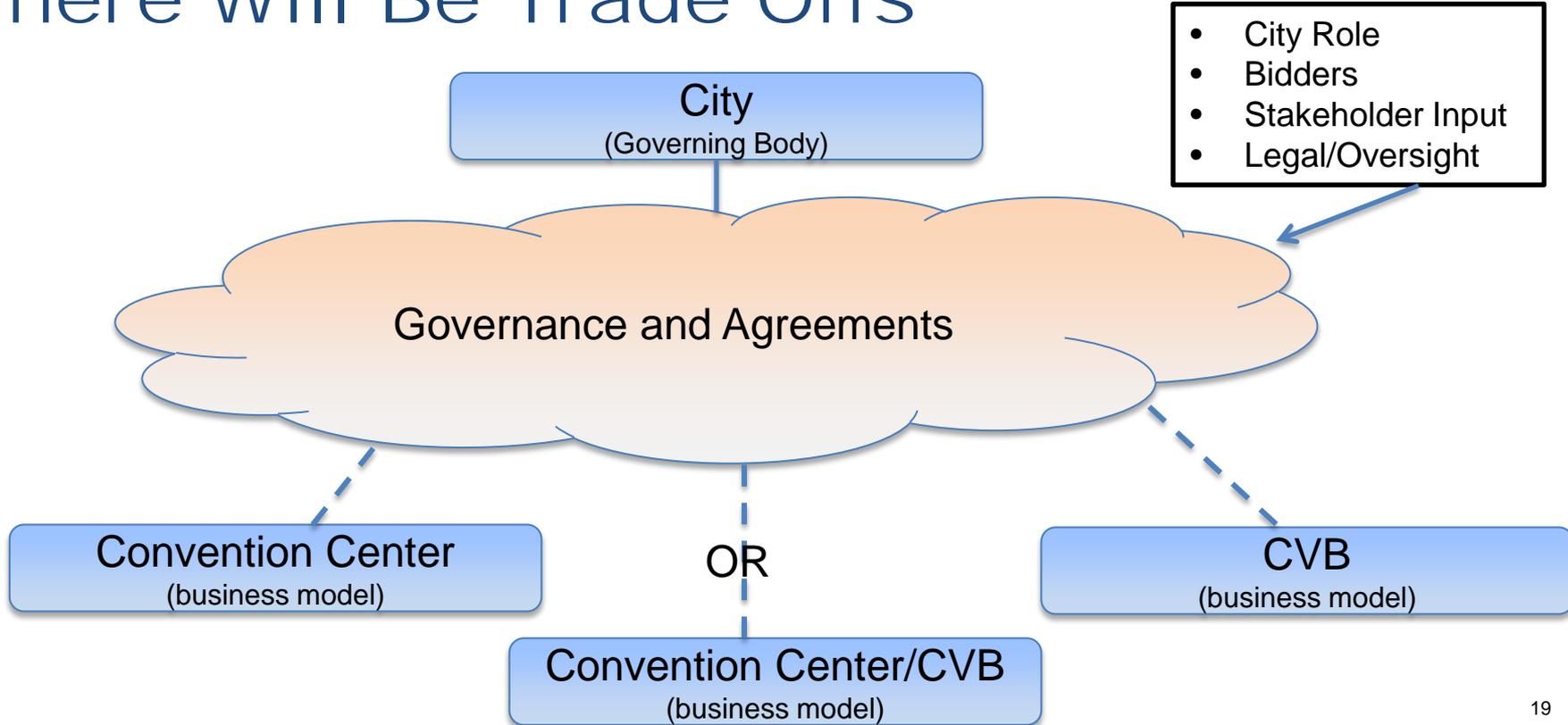


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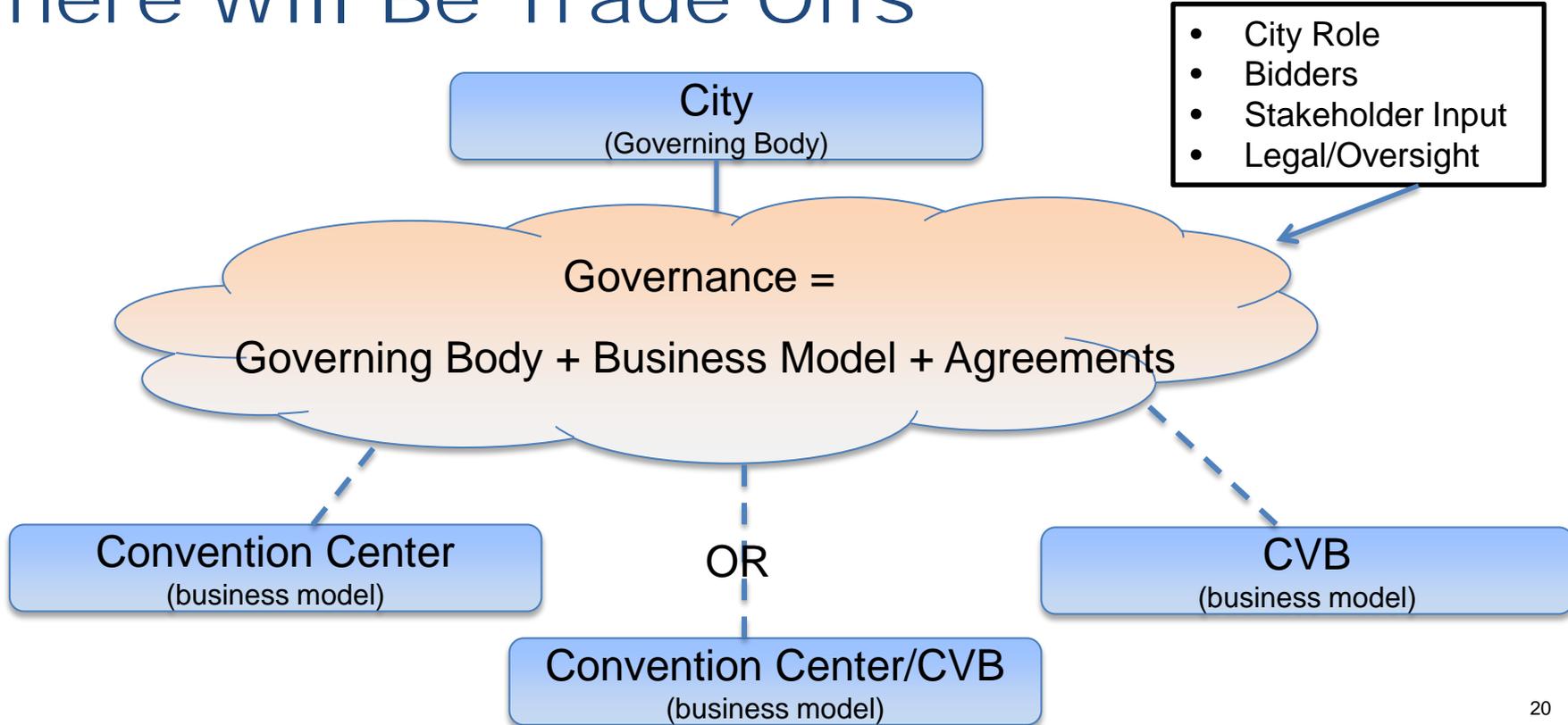


# There Will Be Trade Offs





# There Will Be Trade Offs





# RFP Team & Review Panel

## RFP Process Guidance

- Deanna Santana, City Manager
- Brian Doyle, City Attorney
- Dan Fenton, Jones Lang LaSalle
- Mark Giovannetti, Purchasing Manager

## RFP Review Panel

- Alison Best, Executive Vice President of Member Engagement, Destinations International
- John Caldon, Director of City Hall Events, City and County of San Francisco
- Manny Gonzalez, Vice President & General Manager of California Great America
- Angie Kraetsch, Finance Director
- Craig Mobeck, Public Works Director
- Walter C. Rossmann, COO
- Ruth Shikada, Assistant City Manager



# What kind of model for Santa Clara?

- “One size does not fit all” - There are examples of success with each of the models that will be presented.
- The most effective model is one that will work best for Santa Clara.
- Success measures should be determined in conjunction with the final direction.



# Industry Overview & Governance Models

# Striking the Right Balance

## 1. Economic Impact

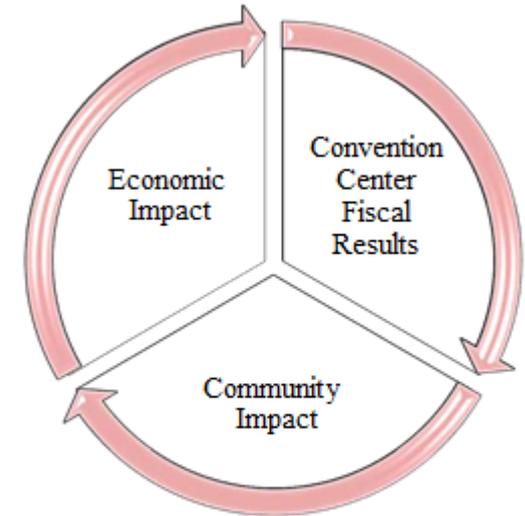
- Overnight visitors - conventions
- Direct spending
- Day trips

## 2. Convention Center Fiscal Results

- Profit and loss
- Asset management
- Reduce risk to City with oversight

## 3. Community Impact

- Use by local community (access to facility)
- Programming



**Balanced Scorecard Approach**



# Key Considerations of Any Model

- Quality and expertise of oversight
- Accountability of governing body
- Flexibility of governance practices
- Customer centric focus
- Focused mission
- Agreed upon effective metrics



# Key Themes

<b>Seamlessness</b>	<ul style="list-style-type: none"><li>• Advantages to a singular team with common goals</li></ul>
<b>Inclusivity</b>	<ul style="list-style-type: none"><li>• Key partners part of the process</li></ul>
<b>Convention Center Optimization</b>	<ul style="list-style-type: none"><li>• Develop a plan to achieve the desired activity level and business mix at the SCCC</li><li>• Adherence to booking policy - higher emphasis on high impact and high value events</li></ul>
<b>Venue Opportunities</b>	<ul style="list-style-type: none"><li>• Focus must be on all of the venues and "demand generators" in Santa Clara</li></ul>
<b>Goals and Accountability</b>	<ul style="list-style-type: none"><li>• Must be established with consistent accountability</li></ul>
<b>Measurement &amp; Reporting</b>	<ul style="list-style-type: none"><li>• The development of agreed upon metrics that are communicated broadly is important</li></ul>



# Criteria for Consideration

- Maximize the convention center to its fullest potential with optimal business
- Deliver the highest level of convention center fiscal performance
- Reduce cost and risk to City
- Create meaningful community impact
- Maintains the convention center in superior condition
- Delivers economic impact (room nights) to Santa Clara



# Factors to Keep in Mind on Governance

- Council as governing body (prominent public business)
- Public Facility and Resources support operations
- Transparency
- Mission of both entities (Center/CVB) must be the same regardless of model
- Accountability must be high (key performance indicators, measured outcomes)
- Environment needs to support mission
- Strategic and informed oversight



# Convention Center Operating Models

- **Publicly Operated**

Publicly operated convention centers are staffed with public employees and function as a division or part of a larger public department.

- **Privately Operated – For Profit Operator**

A privately operated convention center is often managed by a for profit third party operator through a contract with a public entity

- **Privately Operated - Not for Profit Operator/Tax Exempt Status**

Some Convention Centers are operated by non profit organizations as operators. In many cases these are “authorities” and are tax exempt (e.g., 501(c)(6) entities).



# CVB Background Information

## **Destination Marketing Association International (DMAI) annual survey of CVBs in the US and Canada (2014):**

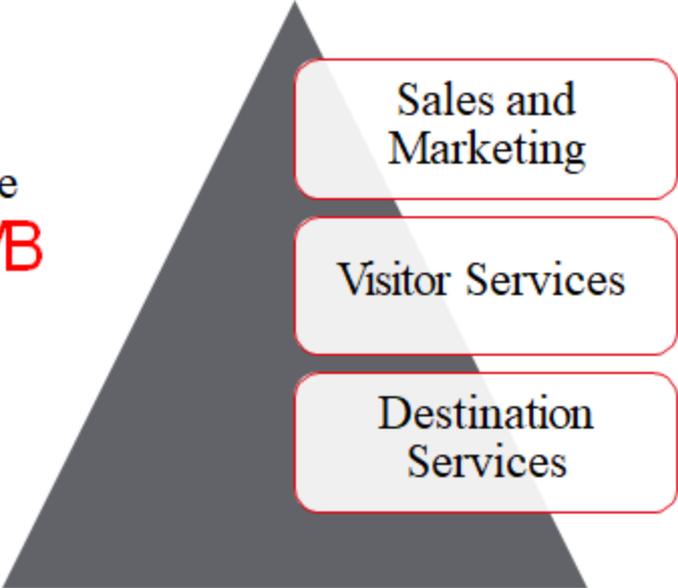
- 60% of CVBs in the US are private 501(c)6
- 10% of CVBs in the US are quasigovernment organizations.
- 10% of CVBs in the US are city or county agencies.
- 4% of CVBs in the US are part of their chamber of commerce.
- < 1% are run by private corporations
- Nearly 60% of all surveyed CVBs are non-membership
- Just over 40% of all surveyed CVBs have a membership model



# Key Features of a CVB

*Santa Clara is not a high demand leisure destination. The current focus is on meetings and conventions.*

What do we want the  
**Santa Clara CVB**  
to do?



Sales and  
Marketing

Visitor Services

Destination  
Services



# Governance Features

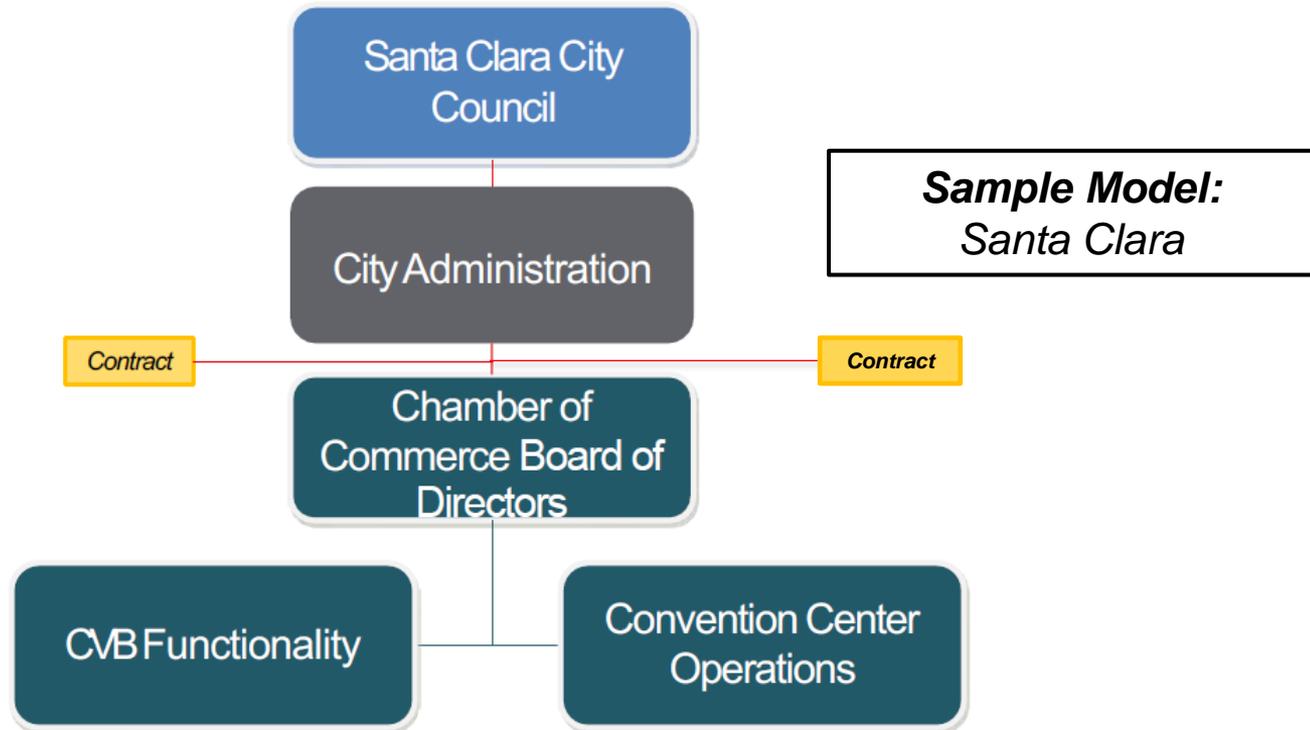
- **Governing Body:** City Council Oversight – Direct or Indirect – Non-Profit Board
- **Industry Practices:** Nimbleness and Flexibility to Industry Changing Trends
- **Structure:** Reporting Relationships
- **Fiduciary Responsibilities:** Financial reporting requirements, business plans, marketing efforts, financial transparency, audit, and full transparency
- **Operations:** Alignment (operational and contractual) between Convention Center and CVB activities, implications for one contract vs. two contracts
- **Sales, Marketing, Booking:** Flexible Sales and Marketing environment without purchasing/policy constraints



# Current Santa Clara Model

**Color Key:**

- City Council
- City Admin
- Private For Profit Operator
- Authority
- Private Non Profit CVB
- Private Advisory Board
- Chamber of Commerce

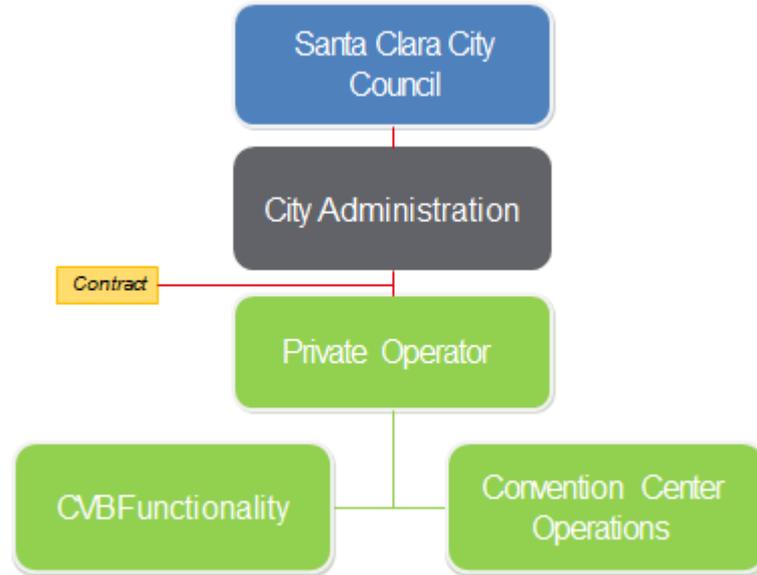




# Model 1: Private Joint Oversight

**Color Key:**

- City Council
- City Admin
- Private For Profit Operator
- Authority
- Private Non Profit CVB
- Private Advisory Board
- Chamber of Commerce



**Sample Model:**  
*El Paso, TX*



# Model 2: Authority Model

**Color Key:**

City Council

City Admin

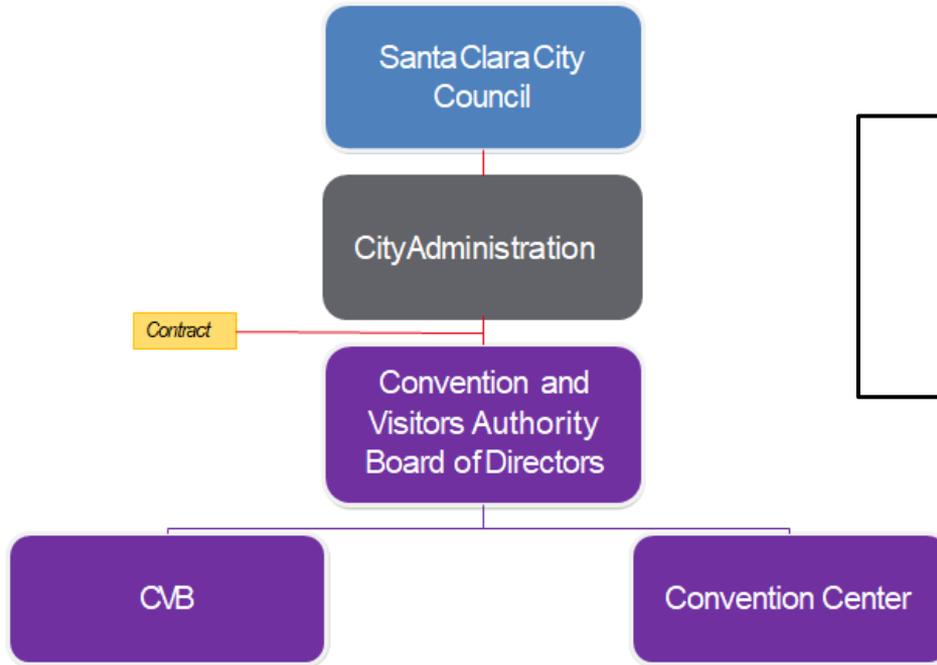
Private For Profit Operator

Authority

Private Non Profit CVB

Private Advisory Board

Chamber of Commerce



**Sample Models:**  
*Houston, TX*  
*San Jose, CA*  
*Pasadena, CA*  
*Charlotte, NC*



# Model 3: Authority Model with Private Operator

## Color Key:

- City Council
- City Admin
- Private For Profit Operator
- Authority
- Private Non Profit CVB
- Private Advisory Board
- Chamber of Commerce



**Sample Model:**  
*Rochester, MN\**

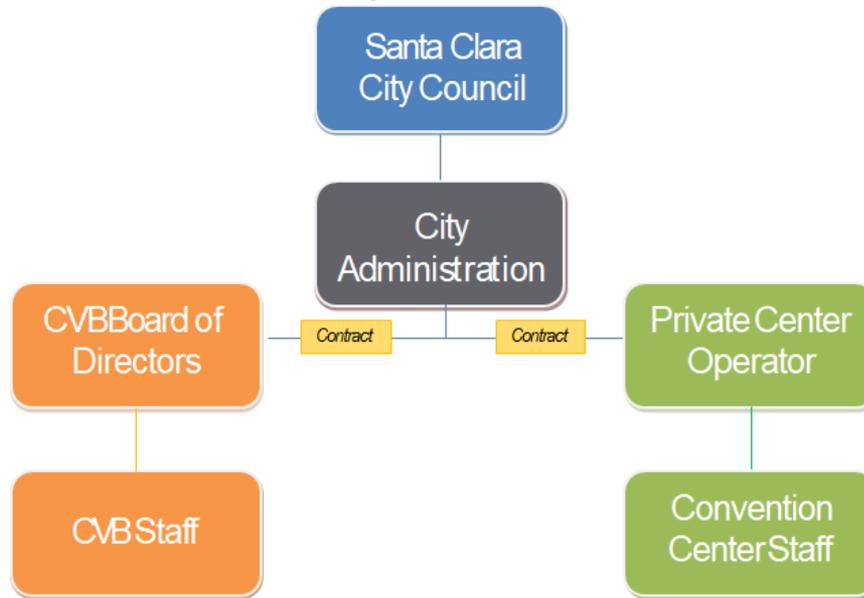
\*Starting process to build this model



# Model 4: Private Center Operations & Private CVB

## Color Key:

- City Council
- City Admin
- Private For Profit Operator
- Authority
- Private Non Profit CVB
- Private Advisory Board
- Chamber of Commerce



**Sample Models:**  
*Los Angeles, CA*  
*San Diego, CA\**  
*San Francisco, CA*  
*Fresno, CA*  
*Miami, FL*  
*Long Beach, CA*

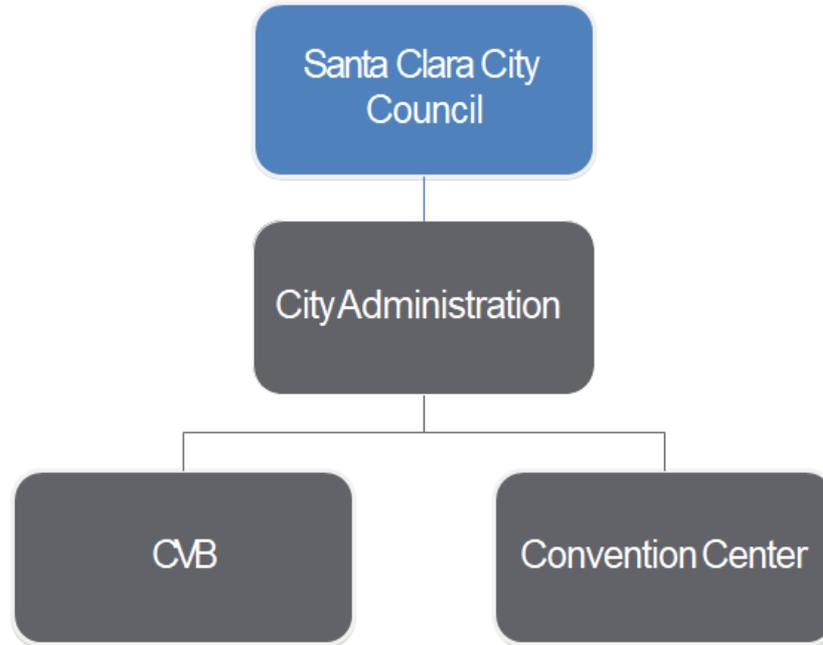
\*San Diego CC Corp is not for profit.  
Has Board of Directors



# Model 5: Public CVB and Convention Center

## Color Key:

- City Council
- City Admin
- Private For Profit Operator
- Authority
- Private Non Profit CVB
- Private Advisory Board
- Chamber of Commerce

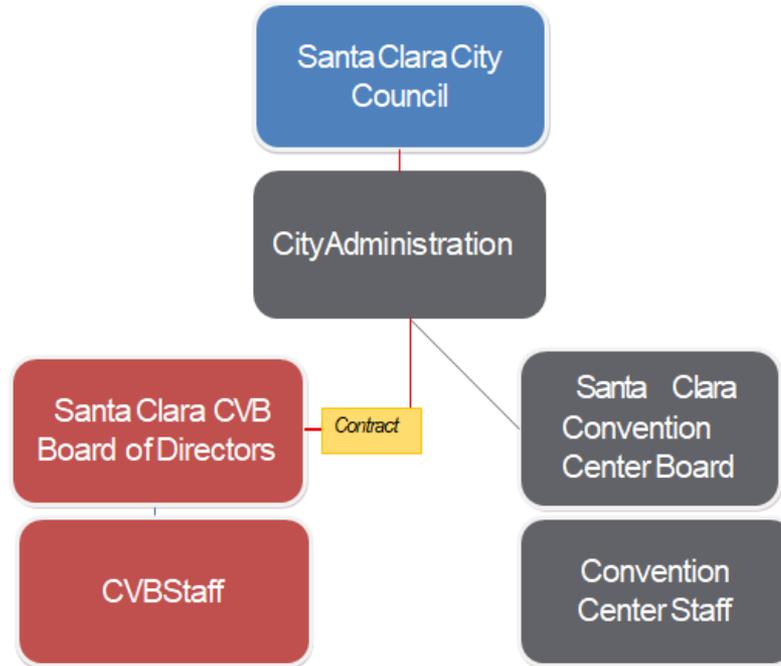


**Sample Model:**  
*Virginia Beach, VA*



# Model 6: Public Center with Private CVB

## Color Key:



**Sample Models:**  
Sacramento, CA  
New Orleans, LA\*  
Rochester, MN

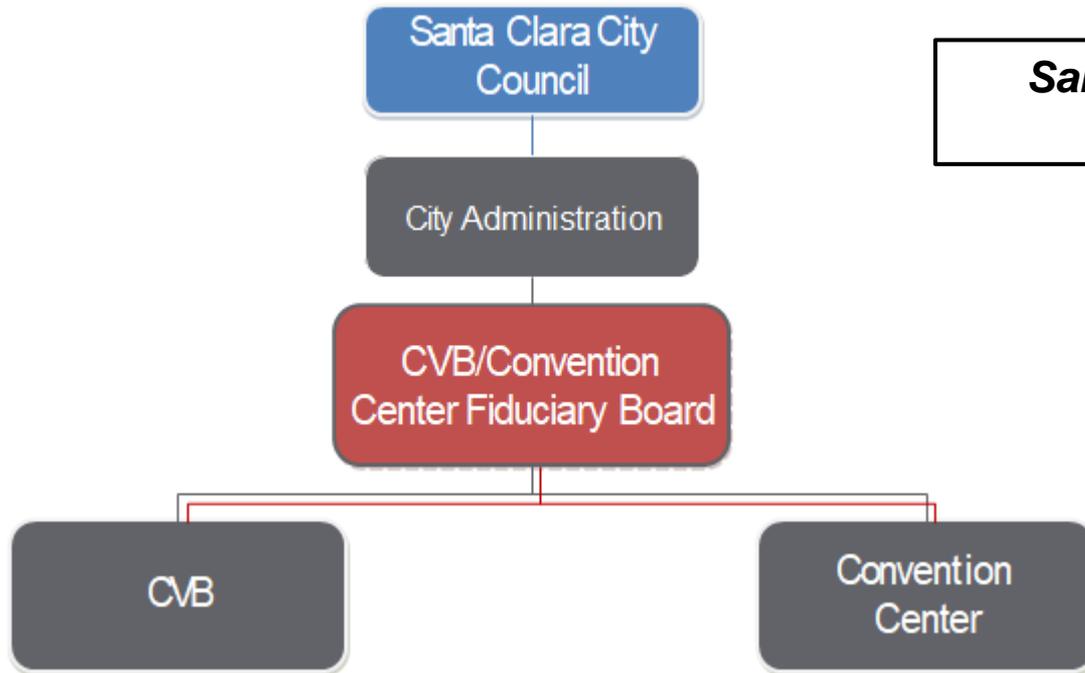
\*State Facility



# Model 7: Public Model with Private Governance

**Color Key:**

- City Council
- City Admin
- Private For Profit Operator
- Authority
- Private Non Profit CVB
- Private Advisory Board
- Chamber of Commerce



**Sample Model:**  
*Waco, TX*



# Request for Proposals



# Key RFP Elements

- Use of BidSync
- Modular: allows proposals for SCCC/CVS management or SCCC management only
- Dynamic requirements
- Two Phase evaluation process
- Process Integrity guidelines



# BidSync

- [www.bidsync.com](http://www.bidsync.com)
- “Push System”
- RFP and all addenda and related documents posted on system
- Notice of Intended Award and post award documents posted on system



# Modular RFP

- Proposer may submit one proposal and be considered for both SCCC/CVS and SCCC only
- Proposer may submit for SCCC only
- Award recommendation will be for combined SCCC and CVS management or SCCC management only



# Open and Dynamic Requirements

- RFP does not specify a solution or governance model.
- Real-time feedback from the business community for proposers to consider in their proposal response.



# Two Phase Evaluation

DESCRIPTION	WEIGHT	
	Phase 1	Phase 2
Quality of proposal	5%	
Experience of firm	25%	
Expertise of team assigned to project	25%	
Technical / Project Approach	25%	
Value added products/capabilities	20%	
Financial Proposal incl. Management Fee, Capital Investments, and City Subsidy, if any		50%
Oral Presentations		50%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>



# Process Integrity

- Direct all questions and communications to the procurement contact
  - In writing or through BidSync
- City staff held to same communication standards as proposers
- Evaluators held to higher standard (conflict of interest and confidentiality)
- Objection and protest process



# Questions?



# Visioning Dialogue & Input



# Convention Center Trends

- Multi-functional space
- Food and beverage
- Technology
- Sustainable practices
- Art and culture



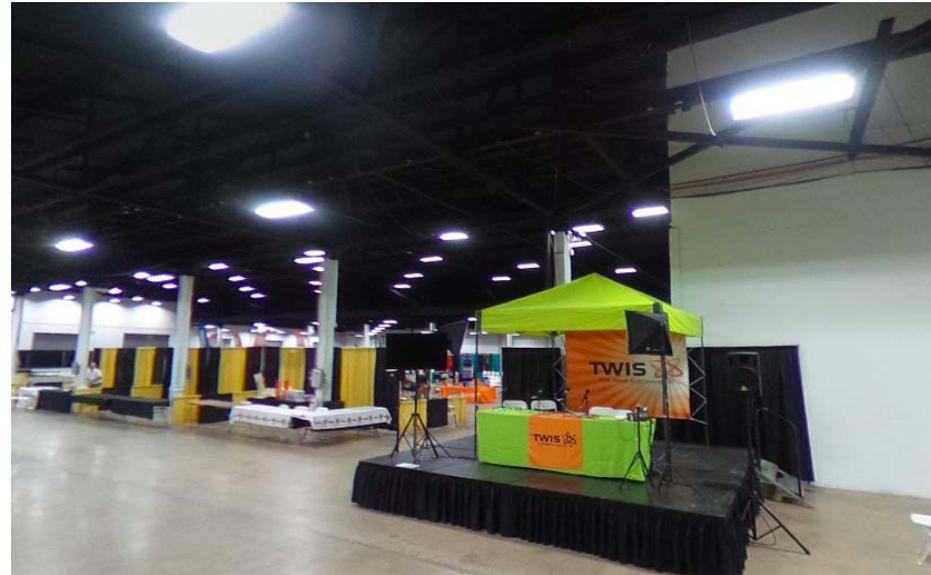
# Multi-functional space



# Multi-functional Space – Trade Shows

Miami Beach Convention Center

Oaks Expo





# Multi-functional Space – Trade Shows

## Bayfront Convention Center (Erie, PA)



Source: Bayfront Convention Center



# Multi-functional Space - Galas

## Los Angeles Convention Center



Source: Maffer Bourgeat USA



# Multi-functional Space – Sporting Events

## Los Angeles Convention Center



Source: Team USA



# Multi-functional Space - Naturalization Ceremonies

## Los Angeles Convention Center



Source: US Courts



# Multi-functional Space - Concerts

Roland E. Powell Convention Center (Ocean City, MD)



Source: Roland E. Powell Convention Center



# Multi-functional Space - Weddings

## Los Angeles Convention Center





# Multi-functional Space - Under-utilized Spaces

Long Beach Convention & Entertainment Center

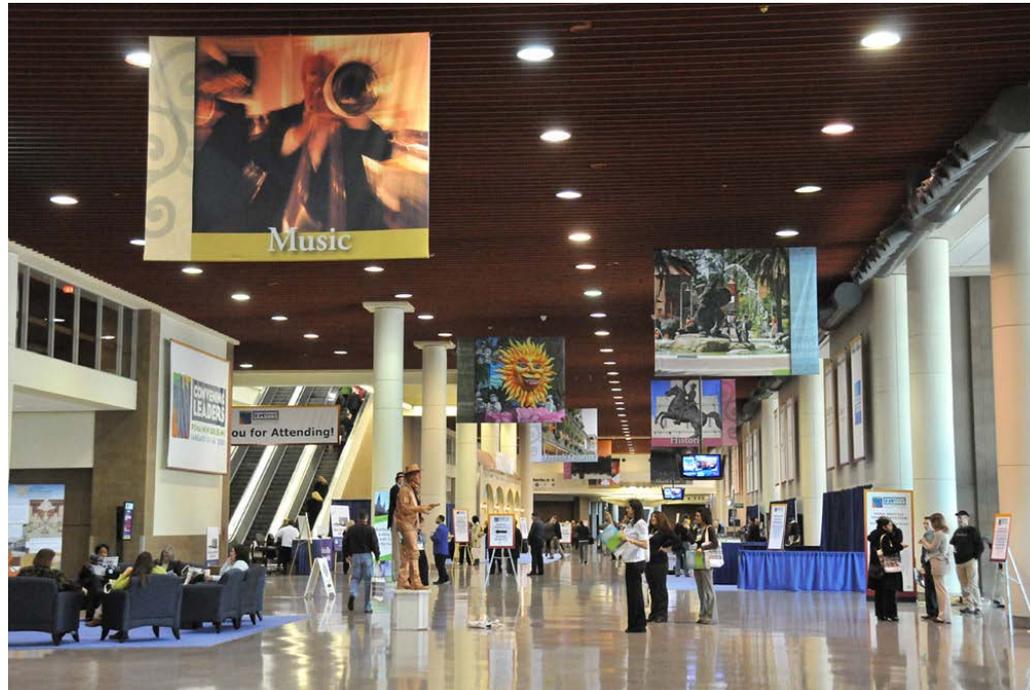


Source: Long Beach Convention & Entertainment Center



# Multi-functional Space - Under-utilized Spaces

## New Orleans Convention Center



Source: New Orleans Convention Center



# Multi-functional Space – Pop up Meeting Locations

## Seattle Convention Center





# Multi-functional Space - Flexible meetings

Minneapolis Convention Center



Source: Minneapolis Convention Center



# Technology



# Technology - Ready for any kind of event

## Austin Convention Center



Source: Austin Convention Center



# Technology - Personalization

## Shaw Centre (Ottawa, Ontario)



Source: Shaw Centre



# Technology – Digital Signage

## Orange County Convention Center (Orlando, FL)



Source: Orange County Convention Center



# Food and Beverage



# Food and Beverage - Options

Oregon Convention Center (Portland, OR)

**Stir Bistro and Lounge**  
Full service restaurant



**Dragon Boat Grill**  
Burgers, hot dogs and fries



**Cucina Rosso**  
Pizza, pasta and salads



**Portland Roasting  
Coffee I**  
Coffee, espresso and pastries



Source: Oregon Convention Center



# Food and Beverage - Local food and wine

Metro Toronto Convention Centre



Source: Metro Toronto Convention Centre



# Food and Beverage - Kiosks





# Food and Beverage - Urban agriculture

## David L. Lawrence Convention Center (Pittsburgh, PA)





# Sustainable practices



# Sustainable Practices - Conservation and Sustainability

## Oregon Convention Center (Portland, OR)



Source: Oregon Convention Center



# Sustainable Practices - Food Donations

Kay Bailey Hutchison Convention Center (Dallas, TX)



Source: Kay Bailey Hutchison Convention Center's Facebook



# Sustainable Practices - Indoor Agriculture

Orange County Convention Center (Orlando, FL)



Source: Orange County Convention Center



# Art and Culture



# Art and Culture – Showcase local culture

Music City Center (Nashville, TN)



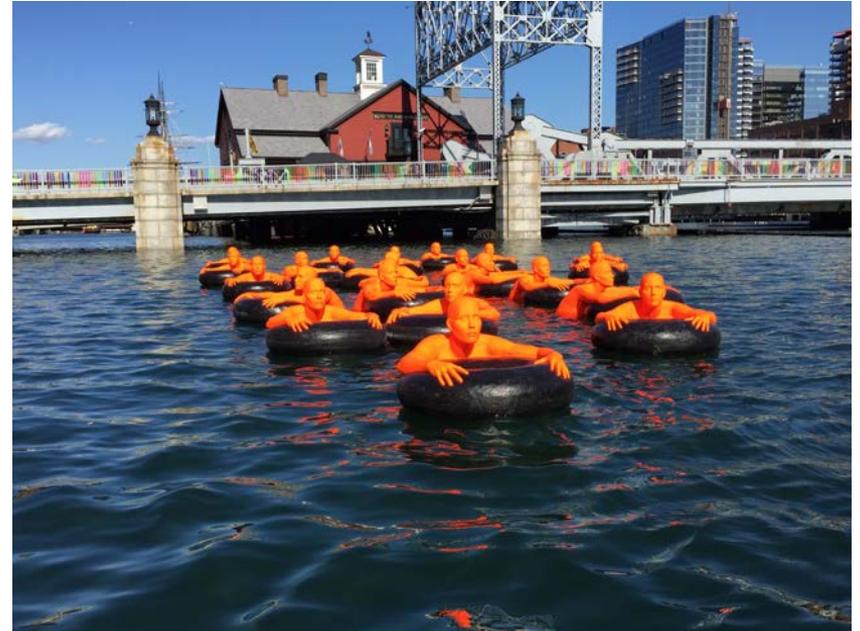


# Art and Culture - Promote local artists

Boston Convention and Exhibition Center



Source: Boston Convention & Exhibition Center





# Art and Culture - Make it a destination!

Washington State Convention Center (Seattle, WA)



Source: Washington State Convention Center



# Visioning Dialogue



## Question 1

Imagine that it's five years from now. Council has selected the SCCC operator and CVB provider, and by all accounts they are exceeding everyone's most optimistic expectations. In short, the arrangement is a major success!

What is happening to make this a success? What is not happening that also contributes to the success?



## Question 2

How should the new operator interact and engage with local businesses?

In what areas can the new operator and local businesses improve their relationship to strengthen, support and grow local businesses?



## Question 3

What are the most important qualities and characteristics you want to see in the next Convention Center operator and Convention Visitors' Bureau provider?

What should be emphasized in making the selection?



# Summary of Surveys: Respondents

- 70 total surveys reviewed
  - 27 on-line responses
  - 43 postcard submittals
- 80% from business owners, executives & managers
- 20% from community members
- Over 90% of all respondents live or work in Santa Clara



## Vision: What's happening

- New transportation options for accessibility
- More entertainment and performance options
- Venues to support performance options
- Current facility is improved and enhanced
- Focus on regional workforce and talent development
- More open green space and natural parkland
- Free public Wi-Fi



# New Operator: How to Support

- Marketing, Marketing, Marketing
  - Social media, website - all things digital
  - Tradeshows
  - Public relations
  - Printed materials



## More Support Services Wanted

- Visitor services (information center)
- Small business opportunities
- Industry advocacy
- Media relations
- Economic development



# Community Benefits

- Quality services that add value for local businesses
- Raising awareness of local businesses
- Showcasing local businesses
- Preference for local businesses when booking space and procuring services



## Next Steps to Gather Input

- The information from this evening's Visioning Dialogue will be summarized . . .
- And integrated into the final survey results . . .
- And made available to the public, Review Panel and proposers



# Give Us Your Input

Survey Link:

<http://santaclaraca.gov/government/open-city-hall>



## Next RFP Steps

- December 3: Proposals Due
- December 4 – 18: Phase I Evaluation
- December 20: Phase 2 Begins (Financial Proposal)
- January 4, 2019: Phase 2 Financial Proposals Due
- January 7 - 11: Interviews
- February 4: Notice of Intent to Award
- March 2019: Council consideration of contract



# Questions?

