

TEAM SAN JOSE REPORTS BEST YEAR EVER FOR REVENUE GROWTH

Convention and Visitors Bureau, Convention Center, and Theater Manager Generated All-Time Record of \$23.8M in Revenue

SAN JOSE, CA (Dec. 4, 2013) – The San Jose City Council approved the audited results of Team San Jose's Fiscal Year 2012-2013 performance today, which highlighted their best year ever since taking over the Convention Center and theater management in 2004 -- growing revenue to \$23.8M for the year.

"Team San Jose's strong performance is clearly the result of providing great service to their customers while managing an ambitious construction project that was successfully completed ahead of schedule," said Debra Figone, San Jose City Manager. "Despite their challenges, this is very good news for our downtown, our economy, and our community."

Team San Jose met or exceeded each of its nine performance measures, most notably growing revenue \$12.3M over the original adopted budget and generating \$5.3M in Gross Operating Profit. Customer service continues to be strong, with a year-end result of 98 percent overall customer service rating.

"The past year was filled with many unknowns about how much our business would be impacted by the construction and renovation of the San Jose Convention Center," said Michael Mulcahy, board chairman for Team San Jose and managing partner of SDS NexGen Partners. "But Team San Jose did an amazing job of balancing its role to facilitate the project itself coming in on time, on budget, while being creative on the business side to book short-term business, generate revenue and minimize costs to offset construction impacts."

Team San Jose also generated other stronger-than-anticipated economic results, including: 247,711 (future) hotel room nights (105 percent to goal) and 1.1M visitors to the Convention Center (160 percent to goal). Parkside Hall, South Hall and theaters managed by Team San Jose generated a return on investment of \$2.48 (135 percent to goal), and an estimated \$87.1M in estimated economic impact on visitor spending (154 percent to goal). Theater performance resulted in 763 occupied days (107 percent to goal) and 375 performance days (106 percent to goal) for the theaters managed by Team San Jose, including the San Jose Civic, Center for the Performing Arts, California Theatre and Montgomery Theater.

According to Team San Jose's new CEO Karolyn Kirchgesler, this strong performance can be attributed to the team's efforts to incentivize clients to maintain current events through the construction, as well as San Jose Hotels Inc.'s (San Jose's Hotel Business Improvement District) efforts to mitigate construction impact for those events.

"We're proud of this record year, especially since the team really stepped up to the plate to ensure that we maintained and grew business while we were undergoing major improvements and expansion efforts," Kirchgesler said. "Our staff and partners acted quickly to secure short-term business opportunities within the year and worked strategically around construction and renovation impacts. I am honored to lead an innovative team that is focused on business and economic development on behalf of the City of San Jose and local businesses, and we look forward to future successes with our recent debut of the new convention center."

The City of San Jose recently introduced the "new" San Jose Convention Center's \$130 million renovation and expansion project, which added 125,000 square feet of additional flexible ballroom and meeting room space. This increased the facility's space to 550,000 square feet, making San Jose more competitive as a meetings and events destination. Team San Jose has already secured 189 new business opportunities using the expanded space, a third of which are new to San Jose.

San Jose hotels support convention center and theater operations through a tax on hotel rooms, combined with the revenue generated by Team San Jose. No city funding is used to support the convention center; in fact, positive results help generate revenue to support city services. Last year, the hotel-visitor tax generated \$14.7M and over the last five years, this tax revenue has generated \$25M to support police, fire and basic city services. More than 1,000 people work for the convention center and theater operations, and San Jose's hospitality industry employs more than 18,000 jobs within the community.

For other updates and more information about San Jose, visit www.sanjose.org.

Performance Measure	Goal	Result	Percent to Goal
Fiscal Drivers			
Revenue	\$11,478,978	\$23,789,350	207.2%
Gross Operating Profit	\$1.9M	\$5.3M	245.1%
Return on Investment	\$1.79	\$2.48	135.8%
Economic Drivers			
Economic Impact	\$56 million	\$87.1 million	154.2%
Attendance	687,857	1,103,490	160.4%
Room Nights	236,806 room nights	247,711 room nights	104.6%
Customer Service	87%	98%	112.6%
Theater Performance	Occupied Days: 707 Performance Days: 352	Occupied Days: 763 Performance Days: 375	107.9% 106.5%

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Team San Jose (TSJ)

Team San Jose, Inc. 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, Parkside Hall, San Jose Civic and South Hall. For more information about San Jose and Team San Jose, please visit the new www.sanjose.org.