

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

CONTACT:

Meghan Horrigan
Director of Public Affairs
408.792.4175
mhorrigan@sanjose.org

Team San Jose Progress Report Approved
*Report highlights achievements and challenges as the City's
convention center and cultural facilities manager*

SAN JOSÉ, CA. — **April 3, 2007**— The San Jose Mayor and City Council approved a report submitted by Team San Jose summarizing achievements as the city's operator/manager of the San Jose McEnery Convention Center and cultural facilities including the California Theatre, Civic Auditorium, Center for Performing Arts, Parkside Hall, and the Montgomery Theater.

The report highlighted Team San Jose's success in increasing revenue, decreasing expenses and operating loss, driving more visitors to San Jose and booking more room nights in San Jose hotels.

"Team San Jose is proud of our success serving the City of San Jose and our community," said Dan Fenton, CEO and Chairman of Team San Jose, also the CEO of the San Jose Convention and Visitors Bureau, "in two short years of operating the cultural facilities Team San Jose has increased revenues year over year, supported our local arts groups, created local jobs and directly impacted our local economy."

The report, unanimously approved today at the City Council meeting, highlighted Team San Jose's ability to increase revenue by 49.2% since they were awarded the contract as operator of San Jose facilities. In partnership with San Jose hotels, Team San Jose also increased hotel occupancy by 57.7% and increased Transient Occupancy Tax (TOT) Revenues by 13.7%, supporting vital city services.

The report also highlighted challenges in operating the facilities including incomplete information provided to all interested parties that submitted proposals in 2003 to manage the facilities. In 2003-2004, the City's Department of Cultural Arts and Entertainment managed the facilities with a proposed revenue allocation of \$8.8 million. Their actual realized revenue was \$6.3 million.

{more}

All companies proposing to manage the convention center and city facilities based their business model on a \$2 million revenue difference. Even with this gap, Team San Jose grew revenue 13.6% going above their proposed goal in the first year. Prior to Team San Jose's management contract, the City of San Jose operated the facilities.

The report also outlined achievement in reducing expenses and the operating loss of the facilities. Team San Jose's operating loss continues to decrease year over year, with a reduction of 32% in the first year of operation and 17% in the second year.

"Local labor is proud to be a partner with Team San Jose," said Phaedra Ellis-Lamkins, Executive Director of the South Bay Labor Council and Team San Jose's Vice Chair of the Board, "an increase in local jobs by 22% over the last three years demonstrates our success working together to deliver quality service and events."

A main theme of the report included Team San Jose's success in customer satisfaction. Customer Satisfaction survey results indicate that 94% of customers would host another event in the San Jose Convention and Cultural Facilities; up six points versus fiscal year 2004-05.

Through a local partnership between hoteliers, labor, the arts community, convention bureau, and Centerplate, their food and beverage partner, Team San Jose has a direct impact on San Jose's local economy and positively impacts downtown businesses. Team San Jose is supported through TOT tax revenue generated, not through the City's General Fund or general revenues.

The report, first reviewed and approved by the City's Community and Economic Development Committee, was first presented on March 19, 2007. For a copy of the full report, please visit:
http://www.sanjoseca.gov/clerk/CommitteeAgenda/CED/031907/CED031907_b.pdf.

About Team San Jose (TSJ)

Team San Jose (TSJ) manages the San Jose McEnery Convention Center and Cultural Facilities including the Center for Performing Arts and the California Theatre. The TSJ mission is to ensure that San Jose's Convention Center and Cultural Facilities are effectively managed to reduce costs, improve the local economy, and add value for our customers, residents, workers, and businesses in San Jose.

About The San Jose Convention & Visitors Bureau (SJCVB)

The mission of the San Jose Convention & Visitors Bureau (SJCVB) is to enhance the image and economic well-being of San Jose by marketing San Jose as a globally recognized destination.

For more information about Team San Jose or the San Jose Convention & Visitors Bureau please visit our website at <http://www.sanjose.org>.