



Training Proposal for:
Custom House Hotel LP dba
Portola Hotel and Spa at Monterey Bay
Agreement Number: ET10-0256

Panel Meeting of: **October 23, 2009**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

PROJECT PROFILE

Contract Type: Retrainee

Industry Sector(s): Services

Counties Served: Monterey

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 330

No. Employees Worldwide: 330

Turnover Rate	Manager/Supervisor
12%	0%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$185,235	\$0	\$185,235

In-Kind Contribution
\$242,904

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills; Continuous Improvement	233	24-200	0	\$795	\$13.00
				Weighted Avg: 53			

Minimum Wage by County: \$13.00 for Monterey County.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No

\$2.05 per hour may be added to meet the post-retention wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Accounting/Administrative Support Staff	
Audio Visual Staff	
Banquet Worker	
Catering Staff	
Engineer	
Guest Services Staff	
Housekeeping Worker	
Kitchen Staff	
Reservation Agent	
Sales Representative	
Guest Safety Attendant	

INTRODUCTION

In this proposal, Custom House Hotel LP dba Portola Hotel and Spa at Monterey Bay (Portola Hotel and Spa) seeks funding for retraining as outlined below:

Portola Hotel and Spa is privately-held, independent hotel property with one location in downtown Monterey. Built 31 years ago as part of a public/private sector re-development plan for the City of Monterey, the hotel was built in conjunction with the Monterey Conference Center. Company representatives report that the City and the hotel work closely together and continue to share the DeAnza Ballroom and 25 separate conference/banquet rooms.

Portola Hotel and Spa offers a complete range of services including: lodging, meeting sites, conference facilities, corporate and private social events, and other activities. The hotel's customers include meeting professionals, event planners, conference and exhibit sponsors, travel agents, and related tourism travel and conference industries. In addition, customers include convention attendees, business travelers, and tourist/leisure travelers.

This hotel property is eligible for retraining under the Out-of-State Competition Provisions outlined under Title 22, California Code of Regulations, Section 4416(g)(1) as a destination resort competing nationally and internationally for customers from both inside and outside of California.

The company is requesting ETP funds to make major changes that will assist it retain its workforce during the economic downturn and face the competitive challenges from properties out-of-state. Company representatives report that competition has become increasingly fierce in recent years from hotels outside of the State of California. Further, company representatives state that Portola Hotel and Spa continues to lose business to states such as Nevada and Arizona due to the perception that they are more cost effective and more accessible. There are more airports with direct flights to destinations such as Las Vegas as well as Phoenix as examples. The company reports that Fortune 500 corporations are choosing alternative destinations due to lack of staff training on destination selling and customer service to support the corporate segment's needs.

To remain competitive with out of state properties, the Portola Hotel and Spa is seeking the 4 Diamond Award which results in meeting planners as well as organizations such as American Express choosing partners that hold this achievement. Once these partnerships are formed, Portola company representatives believe that they can begin to nurture relationships with these key accounts and secure additional business.

In support of its business expansion, the Portola Hotel and Spa is creating an entirely new advertising campaign to focus on the environment and to attract more corporate and individual travelers to its property. Company representatives report that this new campaign is vital to offset the decline in marketing funding available to this Monterey Convention and Visitors Board.

PROJECT DETAILS

All of the training included in this proposal will target Business Skills and Continuous Improvement which will train all staff in world class service delivery, the value and importance to the organization, and the value of providing this service to both internal and external customers. Training will give staff the tools, techniques, and processes to support the transition to a world-class service organization.

Business Skills Enhanced customer service, sales, and communication skills training will be provided to trainees across occupations. This training will provide trainees with techniques and expertise to effectively and persuasively convey information to customers, increase sales success, and consistently achieve the highest quality customer service.

Continuous Improvement Training will include leadership skills, teambuilding, and decision-making for all occupations. Training in these areas is imperative to achieve a successful transition to a world class customer service environment. The goal of this training is better communication and decision-making, less cultural obstacles, and a greater understanding among the workforce. ETP funding will allow the company to implement a company-wide training effort to teach its frontline and management workforce the skills needed to reach a high performance workplace. The training of all management personnel will be defrayed by the company.

Commitment to Training

Portola Hotel and Spa representatives state that this proposed ETP project will be the first time the company has established an on-going, instructor-led, on-site training program to serve all of

its employees. Thus, ETP funds will serve as a launching pad for establishing a continuous formal training program. The company is committed to provide training. In fact, it has provided training in sexual harassment awareness, basic skills, safety in the workplace, food safety, and legal compliance. In addition, it has provided seminar instruction for management and sales staff and conducted job shadowing training for new-hire employees. Portola Hotel and Spa anticipates a training budget for 2010 of \$146,000 to continue this training.

After the ETP-funded training is completed, the company projects additional funds will be specifically budgeted for ETP-related skills training, thus encouraging an ongoing financial commitment to its training program.

Portola Hotel and Spa represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Green Operations/LEED Certification

According to company representatives, major corporations, as well as the U.S. government are creating CSR (Corporate Sustainability Departments) establishing policies and procedures to deal with suppliers (such as hotels) that are implementing Green Initiatives. Portola Hotel and Spa, as well as the Monterey Conference Center, is in the process of obtain LEED certification to become a preferred vendor. With this certification, the hotel will be able to market to environmentally conscious corporations throughout the world. The company reports that destinations such as Portland, Austin, and Baltimore have gone through this certification, and as a result, out-of-state properties with LEED Certification are attracting business away from Portola Hotel and Spa.

Mandatory Service Charges/Tips

Portola Hotel and Spa may be using mandatory service charges (banquet and other reportable tips) to meet the ETP minimum hourly wage for a portion of its workforce. This is pertinent for those workers who receive such reimbursement in addition to their hourly wage. Allowable service charges must be: (1) compulsory charges that must be paid (in addition to regular charges) by a customer directly to an establishment; (2) subject to sales tax; (3) distributed by the employer to the employee; and, (4) considered wages for employment tax purposes and for income tax withholding.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Portola Hotel and Spa retained the California Manufacturers & Technology Association (CMTA) in Sacramento to assist with development of this proposal at no charge to the company.

ADMINISTRATIVE SERVICES

The company will conduct its own project administration.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24-200

Business Skills

Customer Service: Creating the Legend of Mastering
Customer Service Excellence (MCSE); Keeping the
Alternatives Positive; Offer the Positive Alternative;
Taking Positive Action & MCSE

Communication Skills

Negotiation Skills

Enhanced Sales Skills:

Championship Service Up-Selling; Everyone is in Sales;
Mastering Reservation Sales in Hotel Industry; Mastering
Sales Productivity (MSP); Mastering Sales Strategies
(MSS); Mastering Reservation Sales (MRS)

Effective Presentations

CONTINUOUS IMPROVEMENT

Leadership Skills for Frontline Workers - Mastering Peak
Performance (MPP)

Decision Making

Teambuilding

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of delivery method.