



**SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS MEETING
Bahia Resort Hotel: Marina Room
998 West Mission Bay Drive, San Diego, CA 92109
Friday, November 19, 2010
9:00 am to 12:30 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:07a.m.

Board members present: Terry Brown, Luis Barrios, Richard Bartell, Patrick Duffy, Kerri Robinson, Mohsen Khaleghi, and Ray Warren.

Board members absent: Bob Rauch and Bill Evans.

Also in attendance: Lorin Stewart, Executive Director and John Lambeth, legal counsel.

John Lambeth reported that members of the audience are welcome to address the Board on items on the agenda and items not on the agenda. Mr. Lambeth stated that Board members are discouraged from speaking with applicants and must disclose any communication they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

Public Comment

Chris Kramer from Beer Week thanked the TMD for support for a very successful Beer Week! Thanked the lodging properties for all their support for the event. Bartell asked about room night generation.

Informational Items

- 1. Preliminary FY 2012 Collection Forecast
Warren reported last year's projection was within .1% of actual. The new forecast suggests that the TMD will raise approximately \$26M.**
- 2. Next meeting: December 3, 2010**
- 3. FY 2010 Annual Report and Performance Audits
Stewart reported that MJE has developed a draft annual report. Stewart announced Redwitz will start on the performance audits.**
- 4. City Budget and Finance meeting update
TMD is scheduled to before the City on December 1st.**

ACTION ITEMS:

- 1. Approval of Minutes:**
A motion was made by Mohsen Khaleghi to approve the minutes. There was a second from Luis Barrios. Yes 7, No 0, Abstain 0.
- 2. FY 2010: San Diego Convention and Visitors Bureau: Proposed Scope of Work and Budget**
Lorin Stewart clarified that the TMD Board is only listening to these presentations at this time. Scoring and approving allocations will take place later, likely to be on or around February 18, 2011.

ROI in the new budget is projected to be 21:1.

Joe Terzi said that they estimated \$12.8M in the 50% base funding. He also said that Convis is requesting \$6.6M in incremental funding. The total FY 2012 request from Convis is \$19.4M.

Richard Meza gave a budget overview of FY 2010, FY 2011, and FY 2012.

Ray Warren asked about the 18% increase in office rent for 2012. Bartell said office rates are down and that the rent should be lower. The line item should not be increasing. Terzi gave details about the needs relative to the new space and said the rent will probably be in the range of \$2 to \$2.50 per square foot.

Kerri Verbeke Kapich from Convis presented information about Convis future costs.

Projected ROI is 21:1. Produce over \$879M in paid advertising impressions. Deliver \$17M in media exposure which generates 5M visitor inquiries, which will increase definite room nights to 800,000.

Warren asked about moving market share. Kerri presented information about branding and marketing campaigns. She also presented significant information about measuring Convis' success.

Khaleghi asked about group business marketing.

Marjorie Anne Saenz presented information about group meetings and marketing. She talked about opportunities with PCMA and revamping trade show and customer events.

Warren asked about the prospecting business development team. Marjorie stated that Convis is currently refining these positions. The new people will be focused on research.

Terzi state the actual office number is \$100,000, lower than what was in the projection.

Stewart provided information about Convis' historic numbers. In FY 09 Convis ROI was 17.5:1 and in FY 10 the ROI was 19:1.

Bartell asked if the TMD would have more funding for non-Convis incremental funds and Stewart said yes.

3. FY 2011-12: Balboa Park 2015 Centennial Celebration: Proposed Scope of Work and Budget

Lorin Stewart gave background on the work done to date. Mike McDowell stated that a 2015 Centennial Celebration is a “made to order milestone marketing event.” He said that he sees three funding groups: the city, the local lodging industry through the TMD, and other local philanthropic groups. McDowell said that they need to raise a total of \$1M to start the effort. McDowell asked that the TMD allocate \$300,000 in matching dollars for the event.

Peter Ellsworth said that historically Balboa Park has not operated in a coordinated manner. He suggested that all funding be contingent on receiving \$400,000 from the city and from getting agreement on a MOU to allow for coordinated effort in the Park.

A motion was made by Terry Brown to pay \$300,000 towards the Balboa Park event contingent upon raising \$400,000 in the FY2011 from the City, and contingent upon raising another \$300,000 from other sources, and contingent upon executing a satisfactory MOU. There was a second from Richard Bartell.

Ray Warren asked about figure indicating if 75% of the visitors are projected to come from Southern California. Warren asked about how many outside San Diego would come to the event, and how many room nights they could expect. Mike McDowell reported that he was going to work with Alex from Convis and develop some good projections for the TMD Board.

Mohsen Khaleghi stated that he thought that Balboa Park was underutilized. Khaleghi asked about the total amount needed for the entire celebration. McDowell said the host committee will be looking at these numbers carefully. Initially the committee believes a total of \$25M will be necessary as a low end estimate. A better event could be done for \$50M, and the highest projection for the event is \$75M.

Joe Terzi stated that he has been participating in the planning sessions. He stated that there are some major philanthropic organizations talking about investing. He advised that the group not think of this as an “event”, but rather as an opportunity to create a world class destination.

Warren agreed and said this was about positioning and branding.

Yes 7, No 0, Abstain 0.

4. FY 2012: San Diego Sports Commission: Proposed Scope of Work and Budget
Al Kidd began by thanking Joe Terzi for doing such a good job in building a foundation for future efforts.

Al talked about the various sporting events that the Sports Commission is bidding on. In addition, he talked about facilities development activities. He talked about many new opportunities for additional sporting events that would generate room nights.

Total projected rooming is 40,705. Funding request is \$761,800, ROI 6.7:1. ROI in FY 2010 was 6:1.

Warren asked about historical room night production.

Khaleghi asked that all applicant organizations provide historical information about room nights generated and ROI.

Al said that room nights in FY 2010 were 17,200. For FY 2011, the projection is 24,000.

Barrios asked about drops in the room night projections after 2009. Al said it was due to losing Red Bull Air Races and the Rugby Event.

5. FY 2011: San Diego Sports Commission: SEA SD-RC44 Vendor Direct Contract Revision

Lorin Stewart presented the item. He explained that it was necessary to have a vendor direct contract.

A motion was made by Ray Warren to approve. There was a second from Richard Bartell. Yes 7, No 0, Abstain 0.

6. FY 2012: San Diego Film Commission: Proposed Scope of Work and Budget
Ed Quinn, Chairman of the San Diego Film Commission requested \$530,000 for FY 2012. ROI 4.83:1. Projected room nights are 19,000.

Brown said that the Film Commission is asking for 71% of the total Film Commission budget. He asked if there were efforts to reduce the TMD funding as a percent of the total Film Commission budget. Kathy said they are seeking additional funding from the city.

Brown stated to the Board that the TMD received a Public Records Act Request for documents from the TMD and the City. The request was from Unite Here.

Next meeting will be held on December 3, 2010.

Motion to Adjourn

The meeting was adjourned by Chairman Brown without objection at 11:40a.m.

Approved _____ Date _____
Luis Barrios, Secretary