



**SAN DIEGO TOURISM PROMOTION CORPORATION
BOARD OF DIRECTORS MEETING**

**San Diego Convention Center Corporation, Board Room
111 W. Harbor Drive, San Diego, CA
Thursday, January 15, 2009
10:00 am to 1:00 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 10:04 a.m.

Board members present: Joe Terzi, Terry Brown, Richard Bartell, Bob Rauch, Ray Warren, Mohsen Khaleghi and Bill Evans.

Board members absent: Luis Barrios, and Patrick Duffy.

Also in attendance: Lorin Stewart, Executive Director, Jere Batten, Batten Accountancy Inc., and John Lambeth, legal counsel.

PUBLIC COMMENT: David Peckinpaugh from Convis, gave the Board an update on Convis' budget and applications for funding

ACTION ITEMS:

- 1. There were changes to the Minutes from the SDTPC Board of Directors meeting of December 18, 2008. Clarification was added to show that both Online Tourism Marketing and Meetings Database Institute were approved, contingent upon these organizations reaching an agreement with Convis. The SDTPC's contract for these services shall be with Convis. If no agreement is reached between the sub-contractor's and Convis, this item shall come back to the Board. Sub-contractors shall be required to demonstrate individual return on investments. Convis shall not be required to solicit bids from other contractors for these services. Additionally, the Board discussed the urgency of getting contracts signed and the services implemented. A motion was made by Terry Brown to approve the minutes. There was a second from Joe Terzi. Yes 7, No 0, Abstain 0.**

- 2. Funding Allocation Session Procedural Order:
Chairman Terry Brown discussed the proposed new scoring procedures with the Board. Bill Evans presented a new scoring proposal that incorporates: 1) when room nights are generated, 2) a focus on incremental nights, and 3) a measurement for media. Lorin Stewart briefed the Board on proposed scoring and discussed its application. A motion was made by Ray Warren to approve the new scoring proposal. A second was made by Bob Rauch. Mr. Evans asked if the Board could vote on specific items of the new proposed scoring procedure. Mr. Evans suggested each application have at least one Board member investigate and know details for that application. Mr. Brown stated that the**

applicant should give that information, not an individual Board member. John Lambeth suggested that conflict of interest be stated first, and that scoring be disclosed to the members of the audience. Yes 7, No 0, Abstain 0. Lorin Stewart reviewed the new scoring sheet with the Board. Terry Brown and Ray Warren stated the scoring sheet is a good improvement. Ray Warren and Richard Bartell suggested giving “room nights” a higher scoring value. The Board discussed whether the need periods should be specifically identified on the sheet.

3. **FY 2010 Annual Funding Application Review and Score:**
Armed Services YMCA: 9th Annual 4th of July Fireworks Show
The Board heard a presentation on the YMCA’s annual 4th of July Fireworks show. The Fireworks show consists of four barges and draws between 750,000 to a million people. The applicant is requesting \$106,336. The total budget for the event is \$323,336. The applicant estimated the event generates 3,323 incremental room nights. Richard Bartell disclosed that he has contributed \$5,000 to \$6,000 per year for the last 4 or 5 years to the event. Ray Warren and Joe Terzi stated that they had donated about the same for the same period of time. Terry Brown stated that many of the Board members are sponsors. Mr. Warren asked about the amount of marketing dollars available. Mr. Brown asked about the availability of rooms on the 4th of July. Lorin Stewart reviewed the ranking system with the Board. The Board then scored the applicant: Terry Brown scored the application a 1. Bill Evans scored the application a 2. Richard Bartell scored the application a 1. Ray Warren scored the application a 2. Bob Rauch scored the application a 2. Mohsen Khaleghi scored the application a 2. Joe Terzi scored the application a 2. The average score was a 1.71. Mr. Terzi stated that he had helped start this event and the score of 2 is based on timing. Mr. Brown and Mr. Bartell stated that their rankings were also based on timing.
4. **FY 2010 Annual Funding Application Review and Score:**
SDC Hispanic Chamber of Commerce: 11th Annual Viva El Mariachi Festival
The Board heard a presentation from the Hispanic Chamber of Commerce regarding the annual Mariachi Festival. The applicant explained the Chamber’s interest in increasing exposure for the Mariachi Festival. Bill Evans asked about the generation of incremental room nights from the event. Ray Warren asked who the Conference Hotel is. The applicant stated that it was the U.S. Grant. Joe Terzi asked if the event was a fundraiser for the Chamber. Richard Bartell asked about attendance and overnight stays. Bob Rauch asked about the incremental room nights that would be produced by the proposed funding. Mr. Bartell asked about the date of the event. The Board then scored the applicant: Terry Brown scored the application a 1. Bill Evans scored the application a 1. Richard Bartell scored the application a 1. Ray Warren scored the application a 2. Bob Rauch scored the application a 1. Mohsen Khaleghi scored the application a 1. Joe Terzi scored the application a 1. The average score was a 1.14. Mr. Brown stated that the application was difficult to understand.
5. **FY 2010 Annual Funding Application Review and Score and FY 2009 Incremental funding request:**
San Diego Natural History Museum
The Board heard a presentation from the San Diego Natural History Museum regarding the Body World’s exhibit. The applicant is requesting \$300,000. The exhibit has a incremental attendance estimated at 170,000 people. The potential return on investment is 16.5:1. The event opens on March 5th and runs through October 8th. The estimated room night revenue generated is \$4,965,372. The applicant specified a return on investment of 9:1 in the application. Ray Warren

asked about when this exhibit was in LA, stating he believed it was September. Richard Bartell asked about the multiplier used to convert out of town visitors to room nights. Joe Terzi asked about why the museum wouldn't do this marketing on its own. Bill Evans asked about the motion that closed 2009 applications for incremental funding. It was noted that the applicant is asking for \$300,000 for FY 2010. Mr. Evans noted that half the people that come to San Diego stay in private residences. Mr. Evans also stated that the timing is not the best relative to hotel need. The Board then scored the applicant: Joe Terzi scored the application a 3. Terry Brown scored the application a 3. Bill Evans scored the application a 2. Richard Bartell scored the application a 3. Ray Warren scored the application a 3. Bob Rauch scored the application a 3. Mohsen Khaleghi scored the application a 3. The average score was a 2.85.

6. **FY 2010 Annual Funding Application Review and Score:**

Travelers Aid Society of San Diego

The Board heard a presentation from the Travelers Aid Society of San Diego. The applicant stated that they deliver intangibles to make visitors stays positive. They are the "first face" of San Diego for millions of visitors. The group has over 300 volunteers, booking 2400 rooms per year. The applicant is requesting \$60,000 in funding with 2,860 projected room nights generated. Richard Bartell asked how the group is currently funded. The applicant responded that the Port Authority, the City, the County and the Airport all contribute to the group. The total budget currently amounts to \$450,000. Their request is asking for \$40,000 to pay salaries and \$20,000 of Public Relations. Bill Evans stated that he supports Travelers Aid, but it is not marketing. Mr. Evans stated he thinks the City should fund. Mr. Bartell stated that Travelers Aid is to be commended for their efforts but unfortunately it does not generate enough room night to warrant funding. Bob Rauch stated that the group may bring in repeat visitors. Mr. Rauch stated that he sees value in providing the group with funding. Terry Brown stated that he agreed with Mr. Rauch. Ray Warren stated that the group is part of the guest experience, as are the cabbies and shop keepers. Mohsen Khaleghi stated that Travelers Aid does a great job but it is difficult to measure the room nights generated. The Board then scored the applicant: Terry Brown scored the application a 3. Bill Evans scored the application a 1. Richard Bartell scored the application a 2. Ray Warren scored the application a 1. Bob Rauch scored the application a 2. Mohsen Khaleghi scored the application a 2. Joe Terzi scored the application a 2. The average score was a 1.85.

7. **FY 2010 Annual Funding Application Review and Score:**

SD Bay Wine and Food Festival / World of Wine Events

The Board heard a presentation from the San Diego Bay Wine and Food Festival. The event is held in the middle of November and is the largest wine and food festival in the west. The event also holds the largest event-sponsored culinary competition in the nation. 31 percent of attendees come from outside the city. The applicant is working to increase attendees from outside of the market; they would like the number of outside attendees to be in the 50-60 percent range. The event has doubled in size each year. The applicant works with Orbitz, Ares and Amex to increase visibility. Ray Warren disclosed that he has been involved and supportive. Mr. Warren does not have a direct material benefit that is different than other hotels in the City however. Mohsen Khaleghi asked about the prizes for the winning chefs. Richard Bartell asked if Tideland was contributing to the event. The applicant responded that Tideland is contributing \$15,000 in cash and \$25,000 in services. The W Hotel has 2 events as part of the festival. The Board then scored the applicant: Bill Evans scored

the application a 1. Richard Bartell scored the application a 2. Ray Warren scored the application a 4. Bob Rauch scored the application a 3. Mohsen Khaleghi scored the application a 1. Joe Terzi scored the application a 3. Terry Brown scored the application a 3. The average scored was a 2.43. Bill Evans stated that these smaller events should go through Convis and that it's an important period of time. Richard Bartell stated that he likes the time of year and that the dollars are going to marketing. Ray Warren stated that these kinds of events could really grow in size. Bob Rauch stated he felt this applicant should go through SDTPC and not Convis.

Informational Items:

Chairman's Report – There were no additional items reported on as part of the Chairman's report.

Treasurer's Report – There were no additional items reported on as part of the Treasurer's report.

Executive Director's Report – There were no additional items reported on as part of the Executive Directors report.

CONSENT:

5. None

6. **Motion to Adjourn**

The meeting was adjourned by Chairman Brown without objection at 12:45 p.m.

Approved _____
Luis Barrios, Secretary

Date _____