



**SAN DIEGO TOURISM PROMOTION CORPORATION  
SPECIAL BOARD OF DIRECTORS MEETING  
Omni San Diego Hotel  
675 L Street, San Diego, California  
Thursday, October 27, 2008 10:30 a.m.**

**MINUTES**

**Roll Call**

C. Terry Brown, Chairman, called the meeting to order at 10:30 a.m.

Board members present: Richard Bartell, Terry Brown, Moshen Khaleghi, Joe Terzi, Luis Barrios, Ray Warren, Patrick Duffy, Bill Evans, and Bob Rauch.

Board members absent: None.

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

**PUBLIC COMMENT:** None.

**PRESENTATION:**

Convis gave a presentation to the Board on Brand Platform and Ad Creativity. First, Convis discussed the process and timeline for Brand Research. Dave Mering presented a video on Brand research. The video presented the emerging validity of Brand research given the current economic situation. Convis also discussed the production of a spot to run in LA and Phoenix.

**ACTION ITEMS:**

**3. CONVIS: Integrated Plan for Balance of FY 09 /  
Incremental Funding Request**

Convis submitted their 2009 base ad budget along with an incremental funding request (proposal), which included the possibility of a national cable television spot to the Board. Convis believes that leisure transient market should be the focus. Smith Travel Research indicates San Diego is doing better than the United States and Pacific. Of the Top 25 Market shares, San Diego was up 4% in 2006 and 2007, and 4.1% year to date in 2008. San Diego is winning the share war against the competing destinations. Of the \$5.8 million advertising budget, is committing 63% to media, 22% to production, 12% to Agency and 3% to research. As to the media portion, currently the high volume markets are LA and Phoenix. Convis would like to pursue new opportunity markets. Convis would also like to target those spreading the word about the Brand, through targeting "Brandcasters."

Convis envisions splitting the advertising into three segments: Adult indulgence, family focused and explorer. Primary markets include LA/Phoenix, San Francisco, Las Vegas, Sacramento, Denver, and Salt Lake City. Secondary markets are New York, Chicago, Philadelphia, Dallas and Seattle. Convis discussed four different channels to reach the audience and their respective strengths: Broadcast (broad reach); Print (target a specific passions); Online advertisements (highly measurable); and non-traditional media (targets out-of-home). Convis envisions continuing to partner with other attractions like Sea World, the San Diego Zoo, the San Diego Wild Animal Park and LEGOLAND on advertisements.

Convis has a goal to raise \$5 million in cooperative funding. Dave Mering, of Mering Carson, outlined a media Flowchart and discussed in detail the idea of national cable buys. Bill Evans asked what the cost per impression would be and for comparisons. Mering answered that the cost per impression drops in national cable buy. In a spot market its two cents (\$0.02) per impression and for national cable its one cent (\$0.01) per impression. There are 327 million impressions in National Cable and 26 million in Spot markets. Mering added that shifting from reaching 6 target markets to national audience has had a dramatic positive influence on previous campaigns. Convis presented two funding options: Option A is to contribute \$4.294 million for national cable and Option B is to contribute \$3.524 million for national cable. Option A's ROI is 10.83. Option B's ROI is 10.79.

Canada has 234,000 visitors per year that visit San Diego. Convis' goals for that market are to facilitate a top of the mind awareness. Convis would like to put \$574,507 to TV advertisements with a return on investment at 3 to 1. Bob Rauch expressed a need for something sooner in Canada, perhaps November – January. Kerri from Convis said that it was too late to launch such an effort. Moshen Khaleghi stated that spending \$4 million on this incremental funding is unwise and that the focus should be on targeted markets. Joe Terzi state that Convis and Agency are the entities that the Board has hired and that the Board should follow them and hold them accountable. Luis Barrios stated that although people are not travelling now, advertising now will ensure that people will travel when they are able to. Ray Warren stated that the Board should continue advertising. Terry Brown reminded the Board they don't know what else is out there and that the application should be scored today so they can make the specific funding decisions later. The Board continued discussion about Sea World's marketing efforts.

**Option A:** Bill Evans scored the application a 1, Ray Warren scored the application a 4, Richard Bartell scored the application a 4, Terry Brown scored the application 3, Moshen Khaleghi scored the application a 1, Joe Terzi scored the application a 4, Luis Barrios scored the application a 4, Bob Rauch scored the application a 3 and Patrick Duffy scored the application a 4.

**Option B:** Bill Evans scored the application a 4, Ray Warren scored the application a 3, Richard Bartell scored the application a 4, Terry Brown scored the application a 4, Moshen Khaleghi scored the application a 3, Joe Terzi scored the application a 4, Luis Barrios scored the application a 4, Bob Rauch scored the application a 4 and Patrick Duffy scored the application a 4.

**Canada Proposal:** Bill Evans scored the application a 3, Ray Warren scored the

application a 2, Richard Bartell scored the application a 2, Terry Brown scored the application a 2, Moshen Khaleghi scored the application a 2, Joe Terzi scored the application a 2, Luis Barrios scored the application a 2, Bob Rauch scored the application a 2 and Patrick Duffy scored the application a 3.

1. There were no changes to the Minutes from the SDTPC Board of Directors meeting of October 16, 2008. A motion was made by Bob Rauch to approve the minutes. There was a second by Luis Barrios. Yes 9, No 0, Abstain 0.

2. SDTPC Funding Advance:

The Board discussed the need for an additional advance from the City to be used for cash flow for existing Convis activities. A motion was made by Joe Terzi to seek an additional \$350,000 in advance funding for SDTPC. A second was made by Ray Warren. Yes 9, No 0, Abstain 0.

Informational Items:

Chairman's Report

CONSENT:

4. None

5. Motion to Adjourn

The meeting was adjourned by Chairman Brown without objection at 12:35 p.m.

Approved \_\_\_\_\_  
Luis Barrios, Secretary

Date \_\_\_\_\_