

SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS MEETING
Bahia Resort Hotel, Del Mar Room
998 West Mission Bay Drive, San Diego, CA 92109
Friday, January 20, 2012
9:06 a.m. to 11:20 a.m.

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:06 a.m.

Board members present: Terry Brown, Richard Bartell, Bob Rauch, Keri Robinson, and Ray Warren.

Board members absent: Luis Barrios, Patrick Duffy, Bill Evans and Mohsen Khaleghi.

Also in attendance: Lorin Stewart, Executive Directors; Jere Batten, Batten Accountancy; John Lambeth, Civitas Advisors.

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 applications and must disclose any communications they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

PUBLIC COMMENT

Liz Edwards, Spirits Festival

The festival has created a partnership with Bend, Oregon. They are working with Alaskan Airlines to provide two free tickets for winners to come to the festival. Plans are going well for the festival.

Kevin Swanson

Mr. Swanson spoke about the Balboa Park 2015 festival and the need for transportation planning.

Allessandra

Allessandra gave an update on SanDiego.com. She stated that they have recently produced 46,000 room nights. They are looking at a new approach. SanDiego.com would like to demonstrate that they can produce the conversion rates and will provide thirty days at no cost to the hotels. Richard Bartell stated that the TMD has made no commitments, and Allessandra agreed.

INFORMATIONAL ITEMS

1. TMD Renewal Progress: John Lambeth reported that renewal continues to move forward. It is anticipated that the renewal will be before the Budget and Finance Committee in late February or early March, and that final approval is expected in late June or July.
2. Updated SDTMD FY 12/13 Projections: Terry Brown reported \$1,052,733 cash remains for 2012. Excess over catastrophe fund is \$52,733. Ray Warren reported that there is a six percent increase over last year. The total collections are just over \$27M for FY13, while \$25.5M is anticipated to be collected in FY12.

ACTION ITEMS

1. Approval of Minutes: A motion was made by Richard Bartell to approve the minutes. There was a second from Luis Barrios. Yes 5, No 0, Abstain 0.

2. FY 2013 Annual Application Presentation: SD Bowl Games: The presentation was made by Bruce Binkowski and Steve Cushman. Their FY13 funding request is \$450,000. The projected room nights are 44,400, resulting in \$4.6M revenue with an ROI of 10.36:1. They are advertising on ESPN television and radio. Richard Bartell asked about the ROI for each of the two bowls. Bruce reported that the split in expenses and overnight stays is approximately 75% Holiday Bowl and 25% Poinsettia Bowl.

3. FY12 Carry Forward Funds: SD CONVIS / SDNCVB: Jere Batten reported that the City changed their accounting system. As a result, there was a significant carry forward for ConVis. She said that an incremental allocation may correct the problem. Terry Brown asked about the San Diego North lease after the term of the TMD expires. Joe Terzi reported that ConVis has the responsibility to pay for the remaining term of the lease.

4. FY13 Annual and Incremental Application Presentation: SD CONVIS: Joe Terzi discussed the carry forward from FY11 of \$2.3M. He discussed how the \$2.3M is proposed to be spent and what happens to expenditures if the \$2.3M is not received. Bob Rauch asked what needs to be done to approve the funds. Jere said approval by the TMD as incremental funding would solve the problem. Joe Terzi said the reconciliation of the amount needs to take place immediately. Terzi also reported that there is about \$700,000 available in unallocated San Diego North CVB funds. Richard Bartell raised concerns about running the catastrophe reserve down to zero.

Bob Rauch motioned to move money from San Diego North CVB and the emergency/catastrophe fund to ConVis, contingent upon approval of the reallocation by the San Diego North CVB Board. Terry Brown seconded. Yes 5, No 0, Abstain 0.

5. FY13 Annual Application Presentation: SD Crew Classic: Joe Le Blanc thanked the TMD for its past support. The Crew Classic is growing in numbers of attendees and room nights. Four hundred boats are now registered, eight percent of which are out-of-town crews. Last year, there were 371 boats. The 2011 room nights were 8,133. For 2012 they are projecting 10,000 room nights, and for 2013 they are projecting 12,500.

Richard Bartell congratulated all of the people involved in doing a great job. They have increased room nights while decreasing requests for funding from the TMD.

6. FY12 Budget Reallocation – SD Crew Classic: Bob Rauch moved to reallocate \$7,000 from advertising to web. Kerri Robinson seconded. Yes 5, No 0, Abstain 0.

Joe Terzi reported on the status of discussions with the Film Commission. Rob from the film commission has stated that it has downsized its staff. The Commission lost its CEO and moved out of offices to save additional money.

7. FY13 Annual Application Presentation – SD Brewer’s Guild – Beer Week: Chris Crammer reported on the success of Beer Week. In 2011, 542 events were held over a 10-day period. They used a web-based survey and intercept surveys and determined that there were 3,612 room nights generated for a ROI of 6.26:1.

In 2012, there will be over 600 events and earlier postings. They are requesting \$74,900, which is \$100,000 less than last year. The projected ROI IS 4.45:1.

Richard Bartell asked where visitors are staying. Chris said events are going on all over the City and was not sure which hotels received the most business. Bartell asked Ray Warren if he would need to recuse himself on this item. Warren responded no.

8. FY13 Annual Application Presentation – SD Bay Wine & Food Festival: Michelle Meter reported that the SD Bay Wine & Food Festival has been a great success. It was rated as one of the top 100 events in Southern California. Thirty-four percent of attendees were from outside San Diego, and it generated over 928M media impressions.

Their 2011 anticipated ROI is between 4.4 – 5.96:1. They utilize an online survey with mandatory responses, post event exhibitor surveys and sponsor surveys. In addition they receive room block reports. San Diego State University reviews data generated by surveys and reports. They are decreasing their funding request to from \$75,000 to \$68,500. Their new projection is 3,500 room nights with an 8.38:1 ROI.

Ray Warren asked about the future of the event. Michelle said they will continue to grow the event with a goal of eventually having 15,000 attendees. Bob Rauch said this is a crowded event, and people are staying in hotels throughout the City. Rauch congratulated Michelle on a good event. Joe Terzi said this event, and the others talked about before, are great events. Terzi felt the TMD should look at expanding events and moving them out of Downtown, perhaps to Mission Bay or other parts of the City.

9. FY13 Annual Application Presentation: Competitor Group Rock & Roll Marathon: The 2011 total event input was \$63M, in 2010 it was \$54.2M. In 2011, 57,926 room nights were generated, up 39% from 41,766 in 2010. The 2011 ROI was 24:1, with 71% of public relations efforts undertaken outside of San Diego County.

Ray Warren asked about the split between half and full marathon, it was approximately 2/3 and 1/3. Warren also asked about the marketing campaign for this event. It was reported that it is an individualized marketing effort the San Diego event. Richard Bartell said San Diego is sold out when the event is occurring, and asked how many cities give them comparable funding. There are about a dozen cities giving comparable funding.

10. Board of Directors Appointment: Ray Warren has tendered his resignation effective at the end of this meeting. Richard Bartell reported that he, Bill Evans, and Terry Brown got together as a nominating committee. The nominating committee recommends that John Shaffer be appointed to fill the vacancy. It is anticipated that the Board will consider the nomination at its next meeting.

Richard Brown congratulated Ray Warren on his outstanding service to the TMD. He said he has been a great Director. Bob Rauch said that Warren has served as a mentor and added great balance to this Board.

The meeting was adjourned by Chairman Brown without objection at 11:20 a.m.

Approved _____
Luis Barrios, Secretary

Date _____