

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, February 10, 2012  
9:03 a.m. to 10:48 a.m.

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:03 a.m.

Board members present: Terry Brown, Richard Bartell, Bob Rauch, Keri Robinson, Ray Warren, Luis Barrios, Patrick Duffy, Bill Evans, Mohsen Khalegi and John Schafer (appointed during meeting).

Board members absent: None.

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.

Lorin Stewart gave an overview of the FY 2013 funding process. He explained the rankings completed by the TMD Board members. The rankings were projected on the big screen for all attendees to see.

PUBLIC COMMENT

Kevin Swanson, Balboa Park 2015 Festival

Mr. Swanson discussed marketing for the 2015 celebration. He said there should be discussions about permanent changes to the park.

Joe Terzi, ConVis

Joe Terzi said the changes to the forecast and developing two six-month budgets have required adjustments to the 2013 budget. He distributed the revised budget. He requested that the Board defer a decision on the incremental allocation for the film commission.

Michelle Meter, San Diego Food & Wine Festival

Ms. Meter reported that the CA Meetings and Event publication will be featuring the San Diego Food and Wine festival in their next issue. Also, they received a "Top 100 events" award again this year.

Amber, Arts in San Diego

Amber spoke about working with museums within the Park. ULI will partner with Aspen Institute to host a conference at the same time with up to 400 people.

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 8, No 0, Abstain 0.

2. Board of Directors Appointment: Richard Bartell reported that the nominating committee decided to recommend John Schafer. Richard Bartell motioned to appoint Schafer to fill the vacancy on the Board. There was a second from Mohsen Khalegi. Yes 8, No 0, Abstain 0.
3. SDTMD Officer Appointment: Terry Brown motioned to appoint Bill Evans as Treasurer. There was a second from Richard Bartell. Yes 9, No 0, Abstain 0.
4. SDTMD Tax Return: The tax return was distributed. Jere Batten reviewed the return and asked the Board for any questions. Bill Evans asked about allocations. Bob Rauch motioned to approve the tax return; there was a second from Patrick Duffy. Yes 9, No 0, Abstain 0.
5. FY 2011 Performance Audits: Doug reviewed performance reports. He said the emphasis is to review and substitute the specific ROI for each expenditure. Terry Brown motioned to approve the audits; there was a second from Luis Barrios. Yes 9, No 0, Abstain 0.
6. Accessible San Diego FY 2012 Budget Reallocation: Lorin Stewart reviewed the history of funding for Accessible San Diego. He thanked Wes for developing a business plan and for submitting a revised budget with payroll deductions. There was a motion from Patrick Duffy to approve the reallocation and a second from Bill Evens. Yes 9, No 0, Abstain 0.
7. TMD Forecast: There was seven percent growth in 2011. Bob Rauch discussed the process and said they developed conservative forecasts. Rauch believes that the revpar will improve no less than six percent next year. Bill Evans said the numbers should be conservative and that the estimates look good. Bob Rauch motioned to approve the forecast; there was a second from Bill Evans. Yes 9, No 0, Abstain 0.
8. FY 2013 Funding Allocations: The Board first considered funding for the first six months of FY 2013.

Bill Evans moved to table funding for the film commission based on ConVis' recommendation. There was a second from Mohsen Khalegi. Yes 8, No 0, Abstain 1 (Schafer).

Bob Rauch moved to allocate \$3.625M to ConVis for integrated incremental. There was a second from Richard Bartell. Yes 8, No 0, Abstain 1 (Schafer).

Terry Brown motioned to approve the San Diego Sports Commission's request for \$355,250. There was a second from Bill Evans. Yes 8, No 0, Abstain 1 (Schafer).

Bills Evans motioned to allocate \$100,000 to the State Games. There was a second from Mohsen Khalegi. Yes 8, No 0, Abstain 1 (Schafer).

Bill Evans moved to allocate \$0 for SanDiego.com. There was a second from Luis Barrios. Yes 8, No 0, Abstain 1 (Schafer).

Richard Bartell moved to allocate \$450,000 for the San Diego Bowl Games. There was a second from Mohsen Khalegi. Yes 8, No 0, Abstain 1 (Schafer).

Luis Barrios motioned to allocate \$74,900 to the Brewer's Guild; there was a second from Bob Rauch. Yes 8, No 0, Abstain 1 (Schafer).

Bob Rauch motioned to allocate \$65,800 to the San Diego Food & Wine Festival; there was a second from Richard Bartell. Yes 7, No 1 (Bill Evans), Abstain 1 (Schafer).

Terry Brown motioned to allocate \$50,000 to the Thunderboats. Bill Evans motioned to allocate \$80,600; there was a second from Richard Bartell. Yes 8, No 0, Abstain 1 (Schafer).

Bill Evans motioned to allocate \$25,000 to Border to Border Art Inc. for Art San Diego and the Arts Month San Diego. There was a second from Bob Rauch. Yes 7, No 0, Abstain 1 (Schafer). Richard Bartell spoke in support of the event but encouraged the organizers to broaden the hotel base benefitting from the event.

Bill Evans suggested a motion to allocate \$25,000 to the San Diego Spirits Festival; there was a second from Luis Barrios. Yes 8, No 0, Abstain 1 (Schafer).

Allocations for the second six months of 2013 are contingent upon SDTMD renewal and meeting the parameters of the new Management District Plan.

There was discussion about future funding, possible litigation, and reserving funding for contingencies. Terry Brown recommended that the Board allocate funding contingent upon renewal and the terms of the renewed district. All of the following motions for allocations were contingent upon SDTMD renewal and meeting the terms of the renewed district.

Bill Evans motioned to allocate \$3.625M to ConVis; there was a second from Mohsen Khalegi. Yes 8, No 0, Abstain 1 (Schafer).

Richard Bartell stated that there is not enough money to fund all the requests. He suggested the Board take up the competitor group funding first. Bob Rauch suggested to continue going in order.

Bill Evans motioned to fully fund the Sports Commission request for \$355,250; there was a second by Richard Bartell. Yes 8, No 0, Abstain 1 (Schafer).

Richard Bartell motioned to allocate \$117,000 to the San Diego Crew Classic; there was a second from Bill Evans. Yes 8, No 0, Abstain 1 (Schafer).

Bill Evans stated that it would be prudent not to fund the Competitor Group R&R Marathon. Terry Brown disagreed. Mr. Dickey said that the event produces 58,000 room nights and that the runners have only a 15% return rate. He said that all the TMD funds go to marketing. Bob Rauch moved to fully fund the Competitor Group; there was a second from Richard Bartell. Bill Evans said it is a great event, but that he does not believe there is a significant return on the TMD money invested. Richard Bartell said that this has the highest ROI. He asked when the event will become self-sustaining. Terry Brown asked about costs in San Diego compared to other cities. Mr. Dickey stated that of the 24 markets, San Diego is the second most expensive market. The SDTMD pays fully for everything. Mr. Dickey said that there is a 14% repeat rate of the same person running the same race. First time runners are about 40%. Patrick Duffy stated that funding should be reduced over time. Bob Rauch said that the TMD should fund it in full for now, but cut back by one-half next year. Mr. Dickey said that the incremental funding is going towards integrated marketing. The board voted on fully funding the competitor group. Yes 6, No 2 (Bill Evans and Patrick Duffy), Abstain 1 (Schafer).

Terry Brown motioned to allocate \$0 for SanDiego.com. There was a second from Mohsen Khalegi. Yes 8, No 0, Abstain 1 (Schafer).

The meeting was adjourned by Chairman Brown without objection at 10:48 a.m.

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

Date \_\_\_\_\_