

SAN DIEGO TOURISM MARKETING DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
Bahia Resort Hotel: Del Mar Room  
998 West Mission Bay Drive, San Diego, CA 92109  
Friday: March 7, 2014  
9:00 a.m.

MINUTES

Call to Order / Introductions:

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

Board members present: Terry Brown, Thomas Voss, John Schafer, Richard Bartell and Jody Blackington, Bill Evans, and Keri Robinson.

Board members absent: Luis Barrios and Patrick Duffy.

Also in attendance: Jere Batten, Batten Accountancy; John Lambeth, attorney; and Lorin Stewart, Executive Director.

INTRODUCTIONS

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 communications they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

PUBLIC COMMENT

- 1) Bruce Binkowski: Mr. Binkowski from the Holiday Bowl shared the number of TV viewers for the games—over 7 million people watched the bowl games.
- 2) Kevin Swanson: Mr. Swanson expressed concern about TMD Board members not talking to applicants for funds. He believes the TMD is an illegal tax.
- 3) Kevin Swanson: Mr. Swanson talked about the Balboa Park centennial.
- 4) Chris Kramer: Mr. Kramer stated that they re-evaluated their proposed expense on radio advertising, and decided to redirect the funds to higher impact activities. He thanked the Board for their suggestions.
- 5) Marty Gorsich: Mr. Gorsich with Farmers Open presented a revised set of calculations regarding the event's ROI.
- 6) Mike Hagar: Mr. Hagar is president of the San Diego Natural History Museum. He said all Balboa Park partners started planning in 2010. He said they will soon have the King Tut Exhibit. He described other exciting exhibits that will be in Balboa Park in 2015. He encouraged the Board to fund the Balboa Park Celebration.

7) Peter Comiskey: Mr. Comiskey is Executive Director of the Balboa Park Cultural Partnership. He works with 27 non-profits that are committed to hosting world class exhibits. He described some of the new initiatives at Balboa Park.

#### CONSENT ITEM

1) Authorize Amicus Brief – Existing Litigation: Authorization for Colantuono & Levin to file an amicus brief in The Inland Oversight Committee v. City of Ontario; City of Ranch Cucamonga (Super. Ct. San Bernardino County, Rancho Cucamonga Dist., 2013, No. RS1304541). There was a motion to approve by Chairman Brown. There was a second by Mr. Schafer. Yes 7, No 0, Abstain 0.

#### ACTION ITEMS

1) Approval of Minutes: The February 28, 2014 SDTMD meeting minutes were reviewed, discussed and considered for approval. There was a motion to approve the minutes, by Mr. Schafer. There was a second by Mr. Evans. Yes 7, No 0, Abstain 0.

2) FY 2015 Board of Directors Election – Slate of Candidates: Per the approved FY 2014-2015 board election timeline: The slate of candidates, including received self-nominations, for the FY 2015 director vacancies were reviewed, discussed and considered for approval. John Lambeth reviewed the election timeline and steps. He also reviewed the slate of candidates. There was a motion to approve the slate of candidates, by Ms. Blackington. There was a second by Chairman Brown. Yes 7, No 0, Abstain 0.

3) FY 2015 Cost Allocation Methodology: Jody Blackington reported on the proposed approach for cost allocation methodology. There was a motion to approve the proposed approach, by Mr. Schafer. There was a second by Mr. Voss. Yes 7, No 0, Abstain 0.

4) TMD Forecast: Chairman Brown presented the revised budget numbers. There was a motion to approve the revised numbers by Chairman Brown. There was a second by Mr. Voss. Yes 7, No 0, Abstain 0.

Chairman Brown moved to accept the projected amount of \$25,277,348 for FY 2015. There was a second by Mr. Bartell. Yes 7, No 0, Abstain 0.

5) FY 2014 and FY 2015 Sub Region – Category A2 Presentation: SD Tourism Authority: Joe Terzi reported that SDTA has looked at geography as well as product type and strategic use. Kerri Verbeke Kapich addressed the issue of sub region marketing. Margie Sitton reviewed group and transient performance by region. She talked about the need for additional activity in the SMERF market.

Margie Sitton reported on the hiring of new SMERF sales managers.

Mr. Evans expressed a desire that the efforts for each sub-region be distinct and identifiable. Kerri said the proposed approach was desired to minimize overlap and improve efficiency and effectiveness.

Mr. Evans stressed the importance of sub-region marketing and sales. Mr. Terzi gave an overview of the rationale for the proposed program. Chairman Brown highlighted the differences in the various sub-regions.

Mr. Evans suggested that this item go back to the marketing committee. Chairman Brown said this is a giant step forward. Mr. Bartell agreed. Mr. Schafer suggested that specific goals be developed for each sub-region. Ms. Blackington suggested that there be incentives based on performance in each sub-region. There was a motion for \$1,500,000 for this program for FY 2014, by Chairman Brown. There was a second by Mr. Bartell. Yes 7, No 0, Abstain 0.

6) FY 2015 Funding Allocations: Lorin Stewart reviewed the applications and ranking by the Board members. (The individual Board member rankings for each proposal were projected on a large screen.) Mr. Stewart noted that the LGBT group withdrew their application and that BPCI did not present to the Board. Both of these applications are not being considered. There was a motion for full funding for SDTA, SDTA subregion and SD Bowl Game Association, by Mr. Evans. There was a second by Mr. Bartell. Yes 7, No 0, Abstain 0.

Chairman Brown said that the Sports Commission needs to be able to make deals with potential events. Mr. Evans suggested that the Board establish a process for dialogue with the Sports Commission. Mr. Schafer moved that TMD deny the request to set aside funds and instead authorize the Executive Committee to approve allocations from Opp/Catastrophic Fund for specific sports opportunities. There was a second by Chairman Brown. Yes 7, No 0, Abstain 0.

Chairman Brown moved for approval of the Sports Commission's request of \$328,900. There was a second by Ms. Blackington. Yes 7, No 0, Abstain 0.

Mr. Bartell moved for approval of the Brewer's Guild's request of \$74,900. There was a second by Mr. Evans. Yes 7, No 0, Abstain 0.

Mr. Evans moved for approval of the California State Games' request of \$150,000. There was a second by Mr. Bartell. Yes 7, No 0, Abstain 0.

Mr. Schafer moved for approval of full funding of the Crew Classic and Thunderboats. Mr. Schafer added that the TMD request that they explore opportunities for additional incremental room nights. There was a second by Ms. Blackington. Yes 7, No 0, Abstain 0.

Mr. Evans moved for approval of the La Jolla Playhouse funding request. Mr. Evans noted the partnership with Disney. Mr. Bartell expressed a concern that only one of the plays was focused on San Diego. Mr. Evans amended his motion to fund only the 'Hunchback of Notre Dame' play for \$18,114. There was a second by Mr. Bartell. Yes 7, No 0, Abstain 0.

The Board discussed the application by the Competitor Group. Mr. Evans asked about the marketing publications funded by the TMD money. Mr. Bartell asked if the marketing was San Diego only, or included other destinations. The Competitors Group responded that it is San Diego only.

Chairman Brown moved to not fund the Spirits Festival. There was a second by Mr. Bartell. Yes 6, No 0, Abstain 1 - (Robinson).

Mr. Evans moved to fund the Competitor Group for \$200,000.

Mr. Bartell asked about the distribution of hotel room nights from the Farmers Open.

The motion by Mr. Evans failed for lack of a second.

Ms. Blackington moved to fund the Competitor Group for \$250,000. There was a second by Mr. Evans.

Mr. Bartell expressed his support for giving the Competitor Group \$300,000.

Ms. Blackington withdrew her original motion. Ms. Blackington moved to fund the Competitor Group for \$300,000. The motion included a stipulation that \$44,802 would be funded out of the opp/catastrophe fund. There was a second by Chairman Brown. Yes 4 - (Brown, Bartell, Blackington, Voss), No 1 - (Evans), Abstain 2 - (Schafer, Robinson).

Chairman Brown moved to fund the Farmers Open for \$200,000 from the opp/catastrophe fund. There was a second by Mr. Voss. Joe Terzi spoke in favor of funding the event. Ms. Robinson spoke in favor of the motion. Yes 6, No 0, Abstain 1 - (Evans).

7) FY 2015 SDTMD Consolidated Budget: Chairman Brown gave an overview of the SDTMD Corporation administrative budget. Mr. Evans moved to approve the consolidated budget. There was a second by Mr. Bartell. Yes 7, No 0, Abstain 0.

Mr. Evans asked whether JAL flight was at risk. Mr. Terzi briefly stated that this is an issue. This item will be brought back to a future meeting for discussion and possible action.

Lorin Stewart reviewed the schedule for City Council approval.

Chairman Brown adjourned the meeting without objection at 11:32 AM.

Approved \_\_\_\_\_  
John Schafer, Secretary

Date \_\_\_\_\_