

FY 2016 Application Cover Pages

For San Diego Tourism Marketing District Funds

APPLICANT ORGANIZATION NAME:

Farmers Insurance Open (PGA TOUR event), host organization - Century Club of San Diego,
501 c 3 non-profit organization

Mailing Address: 9404 Genesee Ave., Suite 310, La Jolla, CA 92037

Telephone: 858-886-4653 FAX: 858-886-4612

Website: FarmersInsuranceOpen.com

Primary Contact Information:

Name: Peter Ripa Title: Chief Executive Officer

Telephone: 858-886-4653 ext. 106 FAX: _____

Email: pripa@FarmersInsuranceOpen.com

Website (if different from above): _____

BRIEF DESCRIPTION OF YOUR ORGANIZATION OR COMPANY:

Founded in 1961, the Century Club of San Diego is a 501 c 3, non-profit organization with 53 dedicated men and women to promote and sell the Farmers Insurance Open, as well as, San Diego with the net proceeds benefitting our community's charities. Since our inception, we have generate over \$28 million for San Diego charities. We nearly reached \$2.8 million in 2014, <http://www.farmersinsuranceopen.com/century-club/about-the-century-club/>

YOUR ORGANIZATION MISSION STATEMENT OR STATEMENT OF PURPOSE:

Mission: The Century Club hosts a world-class PGA TOUR event to maximize support for the San Diego community and local youth programs.

Vision: To be America's premier golf event and San Diego's greatest ambassador and benefactor. The Century Club's Core Values are Service, Passion, Trustworthiness, Collaboration and Stewardship

YOUR ORGANIZATION'S PROGRAMS AND SERVICES:

The Century Club of San Diego is the host organization that conducts the Farmers Insurance Open, San Diego's prestigious annual PGA TOUR golf tournament, played at Torrey Pines Golf Course in La Jolla. The annual event is televised on network and cable providing major exposure for San Diego. In 2015, Sky Sports and DirectTV will broadcast live on-site as well.

- \$4 million value of mentions to Torrey Pines and City of San Diego *Source: Repucom
- 20.5 hours of liveTV coverage
- 31.2 million U.S. TV viewers
- \$24.66 million in Economic Impact
- \$261,825 in sales tax revenue
- 30,825 room nights
- \$341,864 TOT contribution
- 350 million Households reached globally *Source: PGA TOUR

Fans from the San Diego area, regionally, nationally and internationally (23 countries) enjoyed this year's championship including Canada, Mexico, United Kingdom, Australia, Japan, Brazil, Sweden, Argentina, Austria, Chile, China, Denmark, Estonia, France, French Polynesia, Germany, Ireland, New Zealand, Philippines, Switzerland, South Korea, and United Arab Emirates.

The PGA TOUR is comprised of 45 events throughout the United States, Canada and Mexico. San Diego's stop has a competitive advantage over many events we will further leverage. That is San Diego is a destination city that has more to offer than a United States and major global professional event. Our future growth and success lies in attracting individuals, groups and companies to entertain in San Diego from the region and nationally. Direct marketing and promotions to these markets and nationally will position the Farmers Insurance Open as an attractive winter event to enjoy a destination warm weather city.

IS YOUR ORGANIZATION A NON-PROFIT ORGANIZATION? Yes / No

If Yes:

1) Board of Directors Disclosure: On a separate sheet, describe the roles and responsibilities of your Board of Directors and attach a roster of your current Board and Officers to the SDTMD Application

The Century Club of San Diego is charged with the strategic direction, oversight and compliance to our member organization's charter. The Board, along with members, actively sell tournament assets (min. \$15K) and introduce business and personal relationships to the Century Club staff to sell tournament assets. The revenue generated from these sales afford the Century Club to conduct the Farmers Insurance Open and generate proceeds for San Diego charities.

Board

Greg Keller, Pres., Pres. Garden Fresh Restaurant Grp, 15822 Bernardo Center Dr., SteA, SD, CA 92128
Michael Whitton, EVP, Partner, Troutman Sanders LLP, 11682 El Camino Real, Ste400, SD, CA 92130
Brian O'Callaghan, 1st VP, Pres./COO, Acucela, Inc., 1301 Second Avenue, Seattle, Washington 98101
Steve Finden, 2nd VP, Principal, Barney & Barney, 9171 Towne Centre Dr., Ste 500, SD, CA 92122
Scott Morse, Pres, Residential Wholesale Mortgage, 11234 El Camino Real, Suite 100, SD, CA 92130
Tom Lofaro, Director, VP, US Legal & Sec., Ledcor Grp, 6405 Mira Mesa Blvd., Ste 100, SD, CA 92121
Tim Young, Director, Pres, Southport Marketing, 1025 Albion St., San Diego, CA 92106

IS YOUR ORGANIZATION A FOR-PROFIT ORGANIZATION? Yes / No

If Yes: Mandatory Disclosure of Business Interests: On a separate sheet, disclose the information following these guidelines: Pursuant to section 225 of The City Charter of the City of San Diego, California ("Charter"), all contractors and subcontractors shall make a full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in any transaction funded by, or proposed to be funded by, the SDTMD and the precise nature of all interests of all persons therein. Contractor's failure to fully disclose all of the information required by Charter section 225, or Contractor's failure to require each of its subcontractors to fully disclose such information, shall be a default of the Agreement.

SEE SEPARATE SHEET

Mandatory Disclosure of Business Interests:

Bill Evans, The Lodge at Torrey Pines – host hotel – Farmers Insurance, title sponsor, uses The Lodge at Torrey Pines for their accommodations, food & beverage, hospitality and meeting functions.

San Diego Sports Commission – Player and fan hotel agreements – Farmers Insurance Open works with the San Diego Sports Commission in identifying area hotels and establishing group rates for our sponsors, players and fans.

Closing Date of Applicant's Most Recently Completed Fiscal Year: 04 / 30 / 2014

CPA REVIEW/AUDIT (Please answer the following questions)

- Does your organization receive a financial audit*? Yes No
- If not, were unaudited financial statements prepared? Yes No
- Was a copy of the audit report/financial statements submitted to the City? Yes No
- What period is covered by your most recent audit report/financial statements: 5/1/2013 -
4/30/2014
- Does your Board of Directors receive and discuss the management letter from the audit report? Yes No

***NOTE:** Contractors receiving \$75,000 or more in federal, state, City and/or SDTMD funds shall have Financial Statement Audits prepared in accordance with GAAP and audited by an independent Certified Public Accountant, in accordance with Generally Accepted Auditing Standards [GAAS]. This audit report shall include the following statements:

- a) A statement of expenditure of SDTMD funds by program, to be identified in the same expenditure classifications as contained in the final budget and compared with the budgeted amounts;
- b) A statement of revenues and expenditures, and a balance sheet of all funds received by Corporation; and
- c) A statement certifying compliance with all terms and conditions of the SDTMD's contract with Contractor, and that all required reports and disclosures have been submitted, completed by an executive officer of Corporation.

Contractor shall provide the SDTMD a copy of the Financial Statement Audit within 150 calendar days of the end of Contractor's last complete fiscal year.

Will your organization receive any other public funding in FY 2016? Yes No

If "Yes", list funding source(s), amount of funding, and dedicated use of funds:

Is your organization applying for any other public funding in FY 2016? Yes No

If "Yes", list funding source(s), amount of funding requests, and proposed use of funds:

SDTMD CONTRACT COMPLIANCE (Returning Applicants only)

For the most recent fiscal year - has your organization filed quarterly reports? Yes No:
What period is covered by your most recently submitted report: _____

REQUIRED ATTACHMENTS (Please check off prior to submittal)

The Completed Application must contain the following required documents in this order:

- Signed Application Cover Page**
- EXHIBIT A: Proposed Scope of Work Narrative**
- EXHIBIT B: Budget for Proposed Scope of Work by Category**
- EXHIBIT B1: FY 2016 Budget Narrative By Category**
- EXHIBIT E: Targeted Return on Investment In Hotel Room Night Revenue Worksheet**
- EXHIBIT F: Personnel Schedule:** Required for all positions being claimed against San Diego Tourism Marketing District Funds.
- Board of Directors List (if applicable):** List of Board of Directors including business names and addresses.
- Disclosure of Business Interests (if applicable):**
- Audit Compliance Acknowledgement**
- Accounting Compliance Acknowledgement**
- Work Force Report:** Completed City of San Diego Work Force Report
- Certificate of Good Standing:** *Online printout* from Secretary of State and Franchise Tax Board www.ss.ca.gov/business. All required filings must be current and the status of the business / corporation must have a current "Active" status.

Authorized Signatory / Title: Peter Ripa, Chief Executive Officer

Signature:  Date: 12/7/14

EXHIBIT A

Proposed Scope of Work Narrative

The 2014 Farmers Insurance Open had over 31.2 million US viewers, reached 140 different countries, and was seen in over 350 million households globally during four days of CBS and Golf Channel coverage. Our telecast ends at 6:30 pm Eastern Time when it is cold and dark in most of the country, leaving viewers wishing they could be in San Diego as the beauty and climate of America's Finest City are on full display throughout the Tournament's telecast. But by the time viewers tune in to watch the Farmers Insurance Open, it is too late for destination travelers to join us at Torrey. Our Destination Advertising Program will highlight the City of San Diego and the Farmers Insurance Open over the fall months and into the new year, with the primary goal of increasing *advanced* out-of-market awareness for the Tournament and thereby offering a compelling reason to visit San Diego during the first week of February.

Simply put, our Destination Advertising Program boils down to:

- What: Visit San Diego
- When: Q1, 2016
- Why: The Farmers Insurance Open
- How: A Combination of Travel Packages and Reduced Airfare Options

Specifically, the Destination Advertising Program will accomplish our goal of bringing more guests to the Farmers Insurance Open, and thus the City of San Diego, by accomplishing three primary objectives:

1. Attracting business and golf travelers from targeted regions
2. Attracting the leisure traveler during the winter months
3. Attracting specific groups/organizations

1. Business & Golf Travelers

With an eye towards attracting business and golf travelers who will view the Farmers Insurance Open as a reason to visit San Diego, our radio, print, and digital advertising will saturate four geographic regions. Each of these markets has been previously identified as optimal to achieve our goals, accounting for proximity to San Diego, climate, and market spending/travel habits:

- a. Pacific Northwest
- b. Bay Area of California
- c. Utah
- d. Western Canada

2. Leisure Winter Traveler

By partnering with Alaska Airlines and CID Entertainment, the Tournament has created a one-stop travel page for flights, hotel, and Tournament tickets. With reduced airfare and complete pre-negotiated travel packages available, there are much lower barriers to entry with regards to visiting the Farmers Insurance Open. Our advertising and marketing efforts will drive traffic to www.FarmersInsuranceOpen.com/travel, where a menu of

packages will be on display, tailored to meet a variety of needs and making this a user-friendly travel experience.

We've given the reason "why" to visit San Diego, and similarly mitigated any reason *not* to attend the Farmers Insurance Open.

3. Groups/Organization

In order to attract specific groups and organizations, the Tournament has leveraged a relationship with Balboa Travel, a local company that specializes in complex corporate travel and conferences. Balboa Travel will be a part of the Destination Advertising Program as they:

- a. Identify and work with groups utilizing the San Diego Convention Center to help arrange for extended stays either before or after a conference, in order to add corporate hospitality at the Farmers Insurance Open to the corporate travel itinerary.
- b. Encourage existing Balboa Travel clients with Q1 sales events to host such events at the Farmers Insurance Open.
- c. Strategically align with other Meeting & Event Planners specializing in group Sporting and Incentive travel, thereby increasing visibility and awareness for the Farmers Insurance Open within this key industry.
- c. Utilize the 2016 Farmers Insurance Open to target and host key decision makers with an eye towards corporate events at the 2017 Farmers Insurance Open.

Summary

To expand the reach of our Event, the Farmers Insurance Open will employ two primary strategies: focused advertising and marketing efforts to bring business, golf, and leisure travelers to San Diego to enjoy the Farmers Insurance Open; and an alignment with a corporate travel firm in Balboa travel to target large corporate / convention groups.

Both the consumer direct sales/marketing efforts and group direct marketing will highlight the world-class PGA TOUR event, the unbeatable climate, and the various attractions of the City of San Diego. With a limited budget, it is important we strategically target not only the right audience, but the right regions. Similarly, we will be deliberate in crafting the right marketing message, and delivering through the proper medium. Working with the right agency in MeringCarson will be paramount in these efforts as we place our spots through radio, print, and digital advertising, and we are excited by the opportunity before us.

**BENEFIT CATEGORY A3
FY16 SDTMD Contract Budget
Draft - Exhibit B**

Date _____

Organization Name _____

Total TMD Funds _____

Category:	A 1.1	A 1.2	A 1.3	A 1.4	A 1.5	B	Total A Budget	TMD Total Budget	Non-TMD Direct Program Expenses	Total Direct Cost Budget
	Hotel Meeting Sales	Event Management and Group Sales Development	Tourism Development - Travel & Trade	Group Meeting Direct Marketing	Consumer Direct Sales & Marketing Programs		A Budget	Budget		Cost Budget
Direct Expenses							\$ 255,000.00	\$ 255,000.00		255,000
Advertising										
Advertising/marketing local										
Advertising Agency Fees				7,500.00	37,500.00		45,000.00	45,000.00		45,000
Bid Fees/ Team payouts										
Dues / Subscriptions / Memberships										
Entertainment										
Event Registration Fees										
Lead Generation Services										
Marketing Materials & Brochures										
Meals										
Outside Contractors										
Personnel Benefits										
Personnel Salaries and Wages										
Promotional Items										
Rentals - booth space										
Rentals - remote sales office										
Research										
Sales Commissions										
Special Event Production										
Sponsorships										
Trade Show Expenses										
Travel										
Total Direct Expenses				57,500.00	242,500.00		300,000.00	300,000.00		300,000
Overhead Cost										
Total TMD Expenses				57,500.00	242,500.00		300,000.00	300,000.00		300,000.00

**BENEFIT CATEGORY A3
FY16 SDTMD Contract Budget
Draft Exhibit B**

Date _____

Organization Name _____

Indirect Cost Allocation Worksheet

Budget Category	Total Budget	Less: inequitable adjustments	Modified Total Direct Cost Base	Overhead Rate %	Allocated G&A Dollar
TMD Direct Expenses (exhibit B - page 1)					
A1.1	\$ -	-	-	0%	\$ -
A1.2	-	-	-	0%	-
A1.3	-	-	-	0%	-
A1.4	57,500.00	(57,500.00)	-	0%	-
A1.5	242,500.00	(242,500.00)	-	0%	-
B	-	-	-	0%	-
TMD Direct	300,000.00	(300,000.00)	-	0%	-
Non-TMD direct program expenses	-	-	-	0%	-
Total Direct Cost Budget	300,000.00	(300,000.00)	-	0%	\$ - *
Allowable Overhead Costs (exhibit B - page 2, column C)	-				
Unallowable Overhead Costs (exhibit B - page 2, column B)	-				
Total Organizational budget	\$ 300,000.00				

Overhead rate: percentage of individual budget category line to total direct cost budget.
Allocated G&A: Individual budget category indirect rate multiplied by total allowable indirect costs.

EXHIBIT B1
BUDGET NARRATIVE BY CATEGORY
FY 2016

Date: _____

ORGANIZATION NAME: Farmers Insurance Open - Century Club of San Diego
TMD Funds: CATEGORY A: \$ 300,000
TMD Funds: CATEGORY B: \$ DMO
TOTAL TMD FUNDS A + B: \$ 300,000

ORGANIZATION'S TOTAL ANNUAL BUDGET (TMD + PRIVATE SOURCE): \$300,000 +
\$384,380 = \$684,380

CATEGORY A
BUDGET NARRATIVE BY SUB-CATEGORY:

A1.1 Hotel Meeting Sales: TMD FUNDS: \$ _____
NARRATIVE (of budget line items):

A1.2 Event Mgmt. / Group Sales Development: TMD FUNDS: \$ _____
NARRATIVE (of budget line items):

A1.3 Tourism Development/Travel Trade: TMD FUNDS: \$ _____
NARRATIVE (of budget line items):

EXHIBIT E
ROI FOR SDTMD FUNDS
FY 2016

ORGANIZATION / PROGRAM NAME: Farmers Insurance Open

TMD BENEFIT CATEGORIES:

- MAIN CATEGORY (*List one*): A3 – Competitive Targeting
- PROGRAM CATEGORIES (*List all that apply*): _____

FY 2016 TARGETED ROI WORKSHEET	
<i>All ROI results for awarded TMD funds will be subject to a third-party audit.</i>	
TMD FUNDS REQUESTED	A \$ 300,000
DATES OF EVENT OR PROMOTION : February 2-8, 2015	
HISTORIC AVERAGE DAILY RATE (ADR) for EVENT OR PROMO DATES*	\$ 209.32*
<small>* LA JOLLA COASTAL (Nov. 2014) **130.53 City ADR * USE SAN DIEGO CITY ADR in TMD Hotel Room Night Revenue from Smith Travel Research / SDTA (formerly ConVis)</small>	

Number of TMD Room Nights Historically Generated by Event or Promotion	30,825
Total Estimated TMD Room Night Revenue @ above ADR	\$ 6,452,289
Number of NEW TMD Room Nights Generated by Event or Promotion **	2,500
Total Estimated NEW TMD Room Night Revenue @ above ADR	\$ 523,300
TOTAL ESTIMATED SAN DIEGO CITY TMD ROOM NIGHTS (combined)	33,325
TOTAL ESTIMATED SD CITY TMD ROOM NIGHT REVENUE (combined)	B \$ 6,985,589

TOTAL RETURN ON INVESTMENT	
Total TMD Room Night Revenue Generated : TMD Funds Requested (B/A :1)	23:1

MEDIA IMPRESSIONS & BROADCAST EXPOSURE (If Applicable):	350 million reach
International Broadcast Media (attach separate page if necessary)	140 countries
National / Regional Broadcast Media (attach separate page if necessary)	31.2 million
Web / Social / Digital Media (attach separate page if necessary)	1.1 million

A1.4 Group Meeting Direct Marketing: 57,500
NARRATIVE (of budget line items): TMD FUNDS: \$ _____
 Advertising - Cost of ad placement in digital and publications \$ 50,000
 Advertising Agency Fees - Development of creative for ads \$ 7,500

\$242,500

A1.5 Consumer Direct Sales & Marketing: TMD FUNDS: _____
NARRATIVE (of budget line items):
 Advertising - Cost of ad placement in digital and publications \$ 205,000
 Advertising Agency Fees - Development of creative for ads \$ 37,500

**CATEGORY B (For DMO)
 BUDGET NARRATIVE:**

B: General TV / Radio Broadcast & Outdoor Media: TMD FUNDS*: \$ _____

***EXPENSE BREAKDOWN:**

- **ADVERTISING FUNDS:** \$ _____
- **ADVERTISING AGENCY FEES:** \$ _____
- **PERSONNEL SALARY & WAGES** \$ _____
- **OTHER:** \$ _____

NARRATIVE (of budget line items):