

# **FY 2016 Application Cover Pages**

## **For San Diego Tourism Marketing District Funds**

### **APPLICANT ORGANIZATION NAME:**

San Diego Brewers Guild

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Mailing Address: PO Box 180696, Coronado, CA 92178

Telephone: 858-581-7368                      FAX: n/a

Website(s): [www.sandiegobrewersguild.org](http://www.sandiegobrewersguild.org) and [www.sdbw.org](http://www.sdbw.org)

### **Primary Contact Information:**

Name: Paige McWey                              Title: Executive Administrator

Telephone: 858-967-4249                      FAX: n/a

Email: [paige@sandiegobrewersguild.org](mailto:paige@sandiegobrewersguild.org)

Website (if different from above): \_\_\_\_\_

### **BRIEF DESCRIPTION OF YOUR ORGANIZATION OR COMPANY:**

The San Diego Brewers Guild (“SDBG”) is one of America’s most acclaimed brewing associations. Founded in 1997 as a 501(c)(6) entity (Tax ID# 33-0761530), SDBG is at the vanguard of the nation’s brewers guilds and is one of the world’s most active brewing societies with 75 Brewing Company Members, 87 Allied Pub Members, and 91 Affiliate Members. SDBG takes an active role in promoting San Diego’s internationally celebrated craft brewing scene, garnering national media attention for its annual Brewers Guild Festival and more than 500 SDBG sponsored San Diego Beer Week events, and participating in craft beer events across the country in order to promote local beer and beer tourism to our region.

**YOUR ORGANIZATION MISSION STATEMENT OR STATEMENT OF PURPOSE:**

The mission of the San Diego Brewers Guild is to promote awareness and increase the visibility of fresh, locally brewed beer through education and participation in community events.

**YOUR ORGANIZATION'S PROGRAMS AND SERVICES:**

**The San Diego Brewers Guild ("SDBG") engages San Diego's breweries to work together in promotion of the San Diego region as the nation's #1 hot spot for craft beer, encouraging beer tourism from all over the world.** Through the efforts of SDBG, San Diego has become internationally recognized for having some of the world's finest craft breweries and has garnered the tagline as the "*America's Capital of Craft Beer.*"

**In FY13, we were recipients of TMD monies. The SDBG was granted \$74,900 for San Diego Beer Week and returned \$789,794 in hotel revenue making the return of investment to be approximately 10.5:1.**

**The SDBG hosts four annual events: the North San Diego County Rhythm & Brews Music and Craft Beer Festival in the spring, the SDBG Golf Tournament in the fall, the San Diego Brewers Guild Festival and Beer Garden with Chef Celebration at The Lodge at Torrey Pines, promoting San Diego's craft breweries and local chefs during San Diego Beer Week.** SDBG also participates in numerous craft brewing events each year including the Great American Beer Festival, the national Brewers Association Craft Brewers Conference, and the Bankers Hill Art & Craft Beer Festival. SDBG engages in the ongoing development of San Diego's craft brewery scene and community education about the craft beer industry by working actively with the national Brewers Association to bring the Craft Brewers Conference & World Beer Cup back to San Diego which attracts more than 4,000 beer enthusiasts from all corners of the world, organizing the annual San Diego Beer Week in November of each year, and working closely with the American Home Brewers Association to bring more than 3,000 avid home brewers to Town & Country for the 2015 AHA annual conference.

**San Diego Brewers Guild Festival:** Now in its 13<sup>th</sup> year, the annual SDBG Festival is the official kick-off event for San Diego Beer Week and draws visitors from throughout the world. In 2012, the SDBG Festival moved to the Port Pavilion on the Broadway Pier, offering our guests easy access to hotels and public transportation. In 2013, the festival was split into a two day event: Friday night, we hosted an exclusive and limited capacity VIP Brewer Takeover that had approximately 1,000 people and on Saturday we hosted the Guild Festival which had 3,000 people in attendance. Our ticket sales data concluded that we had 9 countries and 27 States represented.

**Beer Garden:** As the official closing event for Beer Week, it is a refined and cutting edge craft beer event. The SDBG partners with non-profit Chef's Celebration in a fine beer and gourmet pairing overlooking the renowned Torrey Pines golf course and sparkling Pacific Ocean. Offering room/ticket packages for guests to attend the event and stay at The Torrey Pines Lodge. This is a culinary and craft beer treat as the event is a wonderful opportunity to educate the palates of craft beer and gourmet enthusiasts. The event is small by design (600) to maintain that low key, comfortable atmosphere San Diego has become known for.

**San Diego Brewers Guild Website:** The San Diego Brewers Guild website was redesigned in July 2013 and is continuously updated. Our website provides the community (locally, regionally, and nationally) with a one-stop destination for everything pertinent to the San Diego craft brewing scene. **As a forum for all Guild members to post events (525 during beer week in November 2013), promote brewery tours, and share press coverage from local and national media, it averages 1,000 hits per day and over 100,000 leading up to and through Beer Week.**

**San Diego Beer Week Website:** Redesigned in 2014, the SDBW website was developed to make it easier for the guild and craft beer fans to interact. We added Lodging and Transportation pages for our traveling Beer Week goers and added new functionality to share events through social media (Instagram, Twitter and Facebook). With the redesign of the SDBW website in September 2014, we saw a large spike in visitors compared to 2013. In the month of September 2014 alone we had over 36,000 visitors compared to November 2013 where the site saw just below 25,000.

**San Diego Brewers Guild Brochures:** In 2014 we completely redesigned the SDBG Craft Beer Map & Guide. We will print and distribute 180,000 brochures in over 800 locations throughout San Diego County which include the airport, cruise ship terminals, hotels, restaurants, pubs, Certified Folder Display locations, and the convention and visitors centers. The map shows all Brewery members, Allied Pub members, and a listing of Affiliate members. The brochure is also available on the website and easily downloadable. The SDBG updates the brochure and map two times a year.

**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

2) **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.*

**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.*

Closing Date of Applicant's Most Recently Completed Fiscal Year: 12/31/2013

**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:

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:

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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:

SDBG may apply for a grant from the Unified Port of San Diego to waive venue fees and provide some services for the Festival hosted on Port property. In 2013, SDBG was awarded the waiver of rental fees, and services provided valued at \$17,500 and a grant of \$5,000.00 in exchange for promotion of The Unified Port of San Diego as a host sponsor of the event. SDBG may apply for similar assistance for the 2015 festival.

**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: Q1 FY 2015

**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](http://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: Paige McWey, Executive Administrator

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **EXHIBIT A**

### **1) Proposed Scope of Work Narrative**

#### **A1.1 Proposed Scope of Work Narrative**

San Diego Beer Week has become a destination in its own right and by working with SDTMD, and the professional PR Company we employ, the San Diego Brewers Guild (SDBG) will reach out and solicit through an extensive nationwide media blitz targeting meeting planners and groups searching for Fall meeting and conference destinations. The Guild will continue to actively attract Craft Beer industry related groups to attend Beer Week in San Diego by an aggressive marketing campaign.

#### **A1.2 Event Management and Group Sales Development**

San Diego Beer Week begins each year on the first Friday of November and lasts ten days, ending on the following Sunday, a period which each year reliably promises good weather for outdoor activities and has few other competing local events. This time period was chosen in consultation with the SDTMD, San Diego Chapter of the California Restaurant Association, and the San Diego Convention and Visitors Bureau as an “Off Peak Period” that could benefit from the delivery of incremental visitors and room nights to boost the local hospitality industry during what otherwise would be a low revenue period. The requested SDTMD funds would be used to support a targeted marketing campaign to promote a unique San Diego beer experience that would attract out-of-town visitors during San Diego Beer Week. The 2013 Beer Week hosted more than 500 beer-oriented events at local breweries, restaurants, bars, and hotels. Over time, the goal is to grow San Diego Beer Weeks beer-oriented activities and events into a signature regional tourism-oriented celebration ultimately attracting over 25,000 out-of-town visitors to San Diego and representing 30,000 hotel room nights. Ten days of events for beer enthusiasts, brewers and affiliate industries to rival the number of Comic-Con visitors.

#### **A1.3 Tourism Development including Travel & Trade**

SDBG sends representatives to major beer conferences and events throughout the year. The SDBG booth at most of these events is a favorite among attendees. SDBG has ample supplies of our award winning beers, information about Beer Week, and San Diego Brewers Guild brochures. Guild- representatives are there to answer questions and invite the groups

and individuals that enjoy traveling to the great beer events in America, to visit America's Finest City's premier Craft Beer festival. Promotional material and travel expenses for these events would be one use of TMD funds for FY2016 to promote San Diego Beer Week 2015 as a November destination.

#### **A1.4 Group Meeting Direct Marketing**

The advertising SDBG place is largely in Beer Trade magazines, publications and websites frequented by beer enthusiasts, beer-centric clubs and groups. Our professional public relations firm does an excellent job of getting articles placed in travel sections of the major markets. In 2012 we hired a media buyer. His expertise in both print and online media gave us far greater exposure than ever before. The cost of hiring both those professionals was \$12,000.00. Targeted advertising places the invitation to enjoy San Diego Beer Week before a beer hobbyist audience. A beer hobbyist that understands that Beer Week offers far more than just a festival and beer garden, and comes for the more than 500 events that unfold during those 10 overwhelming days of beer education, tours, tastings, pairings and special releases.

#### **A1.5 Consumer Direct Sales & Marketing Programs**

Nearly ¼ of our advertising buys for the 2012 Beer Week were for on-line banners or publications. The San Diego Brewers Guild believes that the on-line opportunities are essential to a complete out of market promotional campaign. The San Diego Beer Week website (more than 101,000.00 "hits" this year leading up to beer week) and Facebook page (10,000 fans) continues to grow in popularity and traffic. **For the 2015 Beer Week, we would like to expand those on-line opportunities to include travel related sites and to upgrade the search engine on our website to include more "destination San Diego" links.** Our goal is to firmly establish San Diego as a Craft Beer destination.

**2) Applicant Qualifications:**

The San Diego Brewers Guild is comprised of some of the nation's best collection of breweries, allied pub members, and affiliate members. This is an unusually cooperative group of businesses with a unified vision for San Diego Beer Week: to promote San Diego's thriving craft beer culture with a ten-day countywide festival that attracts beer tourism, fosters knowledge of our regional brewing heritage, and serves as a showcase for San Diego's breweries, restaurants, pubs, hotels and other businesses with ties to the craft beer community. **In FY13, we were the recipients of TMD monies and had an ROI of approximately 10.5:1.**

The San Diego Brewers Guild is requesting a grant from SDTMD for out-of-market promotion of its Seventh Annual San Diego Beer Week from November 6-15, 2015 which will build on the foundational work done to create and promote the first six San Diego Beer Weeks, which were held November 6-15, 2009, November 5-14, 2010, November 4-13, 2011, November 1-11, 2012, November 1-10, 2013 and November 7-16, 2014. Because SDBW is held in the off-peak month of November, the timing for the reimbursement cycle has been problematic in properly promoting the event. SDBW filed for an amendment in 2010 to allow reimbursements prior to the July 1 date stated in the contract. The TMD board granted the amendment, allowing SDBW to start advertising promotions and a PR plan in March (to effectively promote the event with ample time). Should we be considered as a grant recipient, SDBW is asking for the same amendment to be granted for the FY2016.

San Diego Beer Week has been designed to be a tourism-oriented, ten-day signature celebration of craft beer originally based on the successful "Beer Week" models established in other cities such as Philadelphia (<http://www.phillybeerweek.org/>) and San Francisco (<http://www.sfbeerweek.org/>). San Diego is uniquely positioned to successfully execute and benefit from a well-designed beer week. Not only is our region already a major tourist destination, unlike other cities which have started their own beer weeks, San Diego is already recognized as a Mecca for craft brewing – it has even been named the #1 Beer City in America. There are more Craft Breweries in San Diego County than in most countries. The tourist industry has fed the San Diego craft beer industry and in turn that industry has fed the local economy. San Diego's reputation

incentivizes great brewers to want to live and work here in San Diego and make and produce a product that's world class. That in turn brings more tourists to San Diego to tour our more than 80 breweries and enjoy the diverse and numerous Beer Week events. San Diego Beer Week leverages San Diego's existing craft brewing infrastructure advantage and the organizational power of the San Diego Brewers Guild to create the best annual Beer Week in America, and do it in a way that maximizes the benefits not just for local brewers, but also for the region's hotels, restaurants, bars and retail outlets. Focused promotion of San Diego Beer Week will have the ancillary benefit of increasing beer tourism to San Diego during the rest of the year. The craft beer segment represents a highly desirable demographic of relatively young, educated, affluent, mobile beer enthusiasts, looking for opportunities to experience the local craft culture of San Diego for their vacations.

**Budget Assumptions for use of Tourism Marketing District Funds:**

The San Diego Brewers Guild has Beer Week and the two anchor events as primary offerings for building the tourist trade in San Diego. However, the notoriety these events have brought to San Diego through past media and marketing blitzes afforded by previous years TMD grants, have indeed put San Diego on the travelers radar as a year round Beer destination. **In 2014 and moving forward, we would like to focus greater attention on attracting groups to San Diego for Beer Week. To do so, we would like to dedicate time, effort and funds to partnering with the travel industry and business travel industry to coordinate efforts to package trips to San Diego** much as we have done with Torrey Pines Lodge surrounding our prestigious closing event. Therefore, we have spread our allocation of advertising and advertising agency dollars requested across all categories to reflect the diversification of those efforts. The same distribution is seen in the request for marketing, promotional materials and brochures. **The Information Technology Direct Cost request is to upgrade the website and social media pages to directly engage the target audience of young craft beer enthusiasts that are our consumers and fans. Our e-media resources have to be current in today's market in order to maximize exposure to our events and San Diego as craft Beer destination.**

**1) Targeted Return on Investment (ROI) in TMD Hotel Room Nights:**

With the requested SDTMD funding support, the Seventh Annual San Diego Beer Week will deliver a minimum of 6,943 incremental room nights in the

City of San Diego during the first week of November, an “Off-Peak Period”. The largest event of Beer Week is now held at a San Diego Port venue along the embarcadero making access to TMD hotels a natural choice for the 1,000 or so people that come from out of town to enjoy all or part of Beer Week.

Assumptions:

Friday (11/6) – 900 room nights

Saturday (11/7) – 945 room nights

Sunday (11/8) – 650 room nights

Monday (11/9) – 500 room nights

Tuesday (11/10) – 500 room nights

Wednesday (11/11) – 598 room nights

Thursday (11/12) – 650 room nights

Friday (11/13) – 900 room nights

Saturday (11/14) – 900 room nights

Sunday (11/15) – 400 room nights

A total of 6,943 room nights x a \$ 148.97 average nightly room rate = \$1,034,298.71 in revenue.

\$1,034,298.71 in revenue / \$74,900 fund grant = 13.8:1 ROI

The San Diego Beer Week total ROI of 13.8:1 surpasses the minimum threshold of 3:1 for “Off Peak Periods”.

**2) Progress / Success Measurement & Timing**

As required by contract, the San Diego Brewers Guild will provide quarterly reports to the SDTPC detailing the progress of each funded program and the ROI, including the method of determining the ROI.

The following tools and sources will be used to measure the projected results from our proposed program:

- ROI consultant Mark Testa of *Vision Quest* has been hired to coordinate and conduct our ROI research and reporting. Mark will create an online survey for customers to fill out for each event ticket they purchase through [sdbw.org](http://sdbw.org). Mark and ticket agent will track rooms booked through [www.sdbw.org](http://www.sdbw.org). Mark works with the SDBW team to randomly select events throughout beer week to conduct surveys, so in addition to the actual rooms booked; we will

have a statistically relevant sample size to extrapolate rooms booked outside of those booked through sdbw.org.

- Media impressions
- Online: sdbw.org visitors (with specific attention paid to hits on travel accommodation page, twitter followers, Facebook fans)
- Online advertising: click-thrus
- Number of events
- Number of participants
- Feedback survey of attendees
- Any hotel information that can be collected in terms of occupancies, inventory, and room rate benefits.

Mark Testa can be reached at:

Vision Quest  
6616 Canyon Rim Row Ste #99  
San Diego, CA 92111

**EXHIBIT B1**  
**BUDGET NARRATIVE BY CATEGORY**  
**FY 2016**

Date: 10/17/2014

**ORGANIZATION NAME:** San Diego Brewers Guild  
**TMD Funds: CATEGORY A:** \$ 74,900.00  
**TMD Funds: CATEGORY B:** \$           DMO            
**TOTAL TMD FUNDS A + B:** \$ 74,900.00

**ORGANIZATION'S TOTAL ANNUAL BUDGET (TMD + PRIVATE SOURCE): \$ 20,000.00**

**CATEGORY A**  
**BUDGET NARRATIVE BY SUB-CATEGORY:**

**A1.1 Hotel Meeting Sales:** TMD FUNDS: \$ n/a  
**NARRATIVE (of budget line items):**

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

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

**A1.4 Group Meeting Direct Marketing:** TMD FUNDS: \$ 20,000

**NARRATIVE (of budget line items):**

- 1) Marketing to appropriate beer & geo targeted newspapers, magazines and other prints

- a. Print: \$20,000

\*\*These budget assumptions are based on estimates received

**A1.5 Consumer Direct Sales & Marketing:**

**TMD FUNDS: \$ 54,900**

**NARRATIVE (of budget line items):**

- 1) Marketing to appropriate beer & geo targeted websites

- a. Online: \$15,000

- 2) Public Relations campaign: \$15,000

- 3) Technology support for website & social networking plan: \$15,900

- 4) Operations/Admin to oversee the SDBW plan and visions to execute reimbursements, place media buys, act as PR & web designer liaison and communicate of dates to SDBG members: \$9,000

\*\*These budget assumptions are based on estimates received

**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):**

<b>EXHIBIT E</b> <b>ROI FOR SDTMD FUNDS</b> <b>FY 2016</b>
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**ORGANIZATION / PROGRAM NAME: San Diego Brewers Guild | SDBW**

**TMD BENEFIT CATEGORIES:**

- MAIN CATEGORY (*List one*): **A3 – Competitive Targeting**
- PROGRAM CATEGORIES (*List all that apply*): **A1, A3, A4**

<b>FY 2016 TARGETED ROI WORKSHEET</b>	
<i>All ROI results for awarded TMD funds will be subject to a third-party audit.</i>	
TMD FUNDS REQUESTED	A    \$ 74,900.00
DATES OF EVENT OR PROMOTION :	
HISTORIC AVERAGE DAILY RATE (ADR) for EVENT OR PROMO DATES*	\$ 148.97
* USE SAN DIEGO CITY ADR in TMD Hotel Room Night Revenue from Smith Travel Research / SDTA (formerly ConVis)	

Number of TMD Room Nights Historically Generated by Event or Promotion	5,943
Total Estimated TMD Room Night Revenue @ above ADR	\$ 885,328.71
Number of NEW TMD Room Nights Generated by Event or Promotion **	1,000
Total Estimated NEW TMD Room Night Revenue @ above ADR	\$ 148,970.00
TOTAL ESTIMATED SAN DIEGO CITY TMD ROOM NIGHTS (combined)	6,943
TOTAL ESTIMATED SD CITY TMD ROOM NIGHT REVENUE (combined)	B    \$ 1,034,298.71

TOTAL RETURN ON INVESTMENT	
Total TMD Room Night Revenue Generated : TMD Funds Requested ( B/A :1 )	13.8 : 1

<b>MEDIA IMPRESSIONS &amp; BROADCAST EXPOSURE (<i>If Applicable</i>):</b>	
International Broadcast Media (attach separate page if necessary)	N/A
National / Regional Broadcast Media (attach separate page if necessary)	See attached
Web / Social / Digital Media (attach separate page if necessary)	See attached

