

SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
The Dana on Mission Bay, Sunset Room
1710 W. Mission Bay Drive, San Diego, CA 92109
Friday, March 1, 2019
9:00 a.m.

MINUTES

CALL TO ORDER:

Richard Bartell, Chair, called the meeting to order at 9:00 a.m.

Board members present: Richard Bartell, Terry Brown, Vikram Sood, Steve Cowan, Ilsa Butler, Tim Herrmann, and Alyssa Turowski.

Board members absent: Matt Greene.

Also in attendance: Colleen Anderson, Executive Director; Jere Batten, Batten Accountancy; John Lambeth, Attorney; and Julie Wright, (W)right On Communications.

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 Directors 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:

Michelle Metter, from the San Diego Wine and Food Festival shared with the Board that they have implemented a system to allow attendees to choose from several TMD hotels to better serve the TMD.

INFORMATION ITEMS:

None.

ACTION ITEMS:

- 1) Approval of Minutes: The February 8, 2019 meeting minutes were reviewed, discussed, and considered for approval by the Board.

Mr. Brown moved to approve the minutes. Ms. Butler seconded the motion. Yes 7, No 0, Abstain 0.

- 2) FY 2020 Board of Directors Election: Ms. Anderson gave background on the election process and discussed the candidate slate.

Ms. Turowski moved to approve the slate of candidates for the ballot. Mr. Sood seconded the motion. Yes 7, No 0, Abstain 0.

- 3) TMD Revenue Forecast: Ms. Batten discussed the development of the forecast. She said the projection includes three percent (3%) growth. The revenue is projected to be \$41,040,340 in FY 2020.

Ms. Butler moved to approve the revenue forecast as presented. Mr. Brown seconded the motion. Yes 7, No 0, Abstain 0.

- 4) Opportunity/Catastrophe (O/C) & Administration Allocations: Ms. Batten discussed the allocations. She stated administration can be three to seven percent (3-7%) and opportunity/catastrophe can be three to seven percent (3-7%), with a total of the two, not to exceed ten percent (10%) of the total budget. She stated that the staff recommendation is to allocate three percent (3%) for administration and seven percent (7%) for opportunity/catastrophe.

Mr. Brown moved to approve allocations of three percent (3%) for administration and seven percent (7%) for opportunity/catastrophe. Mr. Herrmann seconded the motion. Yes 7, No 0, Abstain 0.

- 5) FY2020 Funding Allocations: Mr. Lambeth gave background on the conflict of interest policy and explained the recusal requirements. Ms. Batten reviewed the components of the available revenue. Chair Bartell explained that the Board ranks the applications for purposes of determining order of discussion for applications [the rankings by each Director were displayed on a large screen]. Ms. Batten reviewed each of the rankings and the available funds.

STDA: Ms. Butler moved to tentatively approve funding the amount requested (\$39,202,838). Ms. Turowski seconded the motion. Yes 7, No 0, Abstain 0.

San Diego Bayfair/Thunderboats: Mr. Sood moved to tentatively approve funding the amount requested (\$95,000). Mr. Cowan seconded the motion. Yes 7, No 0, Abstain 0.

San Diego Bowl Game Association/Holiday Bowl: Mr. Herrmann moved to tentatively approve funding the amount requested (\$410,000). Ms. Turowski seconded the motion. Yes 7, No 0, Abstain 0.

California State Games – Summer: Chair Bartell moved to tentatively approve funding the amount requested (\$125,000). Mr. Brown seconded the motion. Yes 7, No 0, Abstain 0.

California State Games – Winter: Mr. Brown moved to tentatively approve funding the amount requested (\$50,000). Ms. Butler seconded the motion. Yes 7, No 0, Abstain 0.

San Diego Bay Wine & Food Festival: Mr. Herrmann recused himself from this item. Mr. Sood moved to tentatively approve funding the amount requested (\$74,500). Ms. Turowski seconded the motion. Yes 6, No 0, Abstain 0, Recuse 1-Herrmann.

California Police Athletic Federation: Mr. Brown moved to tentatively approve funding the amount requested (\$75,000). Ms. Turowski seconded the motion. Yes 7, No 0, Abstain 0.

Wonderlust Events, LLC: Mr. Cowan recused himself from this item. Mr. Brown said it would be great to get this event established. Chair Bartell moved to tentatively approve funding the amount requested (\$500,000). Mr. Brown seconded the motion. Yes 6, No 0, Abstain 0, Recuse 1-Cowan.

ANOC World Beach Games: Chair Bartell gave background on this application. He said he wanted to make sure the applicant would have necessary other funds prior to the SDTMD providing its funding. He would like to see a total of \$10m in signed, verified sponsorship contracts or cash in the bank by August 1, 2019 (verified by SDTMD Executive Director, Ms. Anderson).

Chair Bartell moved to tentatively approve funding the amount requested (\$500,000) contingent upon completion of the following to the satisfaction of the SDTMD Executive Director: verification of executed contracts and cash in the bank of at least \$10m no later than August 1, 2019. Mr. Cowan seconded the motion. Yes 7, No 0, Abstain 0.

San Diego Crew Classic, Inc. – Spring Classic: Chair Bartell moved to tentatively approve funding the amount requested (\$195,000). Mr. Brown seconded the motion. Yes 7, No 0, Abstain 0.

Pro Am Beach Soccer: Ms. Turowski moved to tentatively approve funding the amount requested (\$30,000). Ms. Butler seconded the motion. Yes 7, No 0, Abstain 0.

USA Volleyball Girls National Championships – FY22: Mr. Herrmann recused himself from this item. Mr. Brown moved to tentatively approve funding the amount requested (\$113,040). Mr. Sood seconded the motion. Yes 6, No 0, Abstain 0, Recuse 1-Herrmann.

San Diego Brewers Guilds: Ms. Butler moved to tentatively approve funding the amount requested (\$31,000). Chair Bartell seconded the motion. Yes 7, No 0, Abstain 0.

Spartan Race, Inc.: Chair Bartell expressed concern about the projected ROI and benefit to SDTMD hotels. He noted the applicant is not in attendance at today's meeting. Mr. McDowell asked if the Board would consider an approval contingent upon specified conditions. Chair Bartell said he was interested in a condition regarding SDTMD hotels. Mr. Herrmann said that this event is likely to be more of a local event. Chair Bartell said he desired not to vote on the item today.

Mr. Brown moved to not fund the request now (\$0) and allow the applicant to request funding in the future. Ms. Turowski seconded the motion. Yes 7, No 0, Abstain 0.

Swoop Challenge ApS: Chair Bartell noted the applicant is not in attendance at today's meeting. He discussed ROI concerns. Mr. Herrmann expressed concerns about the event.

Chair Bartell moved to tentatively approve funding the amount requested (\$50,000). The motion failed for lack of a second.

Mr. Herrmann moved to not approve funding the request (\$0). Ms. Butler seconded the motion. Yes 7, No 0, Abstain 0.

Left Coast Wrestling: Chair Bartell said he was concerned about the benefit to SDTMD. Chair Bartell moved to not approve funding the request (\$0). Mr. Brown seconded the motion. Yes 7, No 0, Abstain 0.

The *Breeders Cup 2021* and *United World Sports* funding applications have been withdrawn by the applicants.

Ms. Batten reported that with the tentative funding approvals, the remaining balance of the opportunity/catastrophe budget would be \$1,995,187.

Mr. Brown moved to transfer \$4,422,032 from the opportunity/catastrophe budget to make these funds available. Mr. Cowan seconded the motion. Yes 7, No 0, Abstain 0.

Mr. Herrmann and Mr. Cowan recused themselves from the following three items.

Mr. Brown moved to authorize final approval of the tentative action by the Board on the *San Diego Bay Wine & Food Festival* application. Ms. Butler seconded the motion. Yes 5, No 0, Abstain 0, Recuse 2-Herrmann, Cowan.

Mr. Brown moved to authorize final approval of the tentative action by the Board on the *Wonderlust Events, LLC* application. Mr. Sood seconded the motion. Yes 5, No 0, Abstain 0, Recuse 2-Herrmann, Cowan.

Ms. Turowski moved to authorize final approval of the tentative action by the Board on the *USA Volleyball Girls National Championships – FY22* application. Mr. Sood seconded the motion. Yes 5, No 0, Abstain 0, Recuse 2-Herrmann, Cowan.

Mr. Brown moved to authorize final approval of the tentative actions by the Board on each of the following applications: *SDTA, San Diego Bayfair/Thunderboats, San Diego Bowl Game Association/Holiday Bowl, California State Games – Summer, California State Games – Winter, California Police Athletic Federation, ANOC World Beach Games, San Diego Crew Classic, Inc. – Spring Classic, and Pro Am Beach Soccer*. Ms. Butler seconded the motion. Yes 7, No 0, Abstain 0.

- 6) FY 2020 SDTMD Admin Detail & Consolidated Budget: Ms. Batten reviewed the administrative budget. [She displayed all of the individual line items on a large screen.] The total administrative budget is \$2,123,154. Chair Bartell asked about the contingency line item. Ms. Batten reviewed the consolidated budget. Meredith Dibden-Brown discussed the city expenses and the interest.

Ms. Butler moved to approve the admin budget as proposed. Mr. Sood seconded the motion. Yes 7, No 0, Abstain 0.

Mr. Brown moved to approve the consolidated budget as proposed. Ms. Turowski seconded the motion. Yes 7, No 0, Abstain 0.

- 7) SDTA Supplemental Request from 2nd District/Litigation Reserve: Chair Bartell gave background on the litigation reserve. The supplemental request from the 2nd District/Litigation Reserve is for \$6,999,332.

Ms. Butler moved to approve the request. Mr. Cowan seconded the motion. Yes 7, No 0, Abstain 0.

- 8) Supplemental Request, 2nd District/Litigation Reserve, Admin Detail & Consolidated Budget: Ms. Batten gave background on the litigation reserve and reviewed the consolidated budget. The supplemental request from the 2nd District/Litigation Reserve is for \$3,884,312 from Category A and \$3,227,020 from Category B, for a total of \$7,111,332.

Chair Bartell moved to approve the admin detail and consolidated budget as proposed. Mr. Herrmann seconded the motion. Yes 7, No 0, Abstain 0.

Chair Bartell adjourned the meeting without objection at 9:58 a.m.

Approved _____
Matt Greene, Secretary

Date _____