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  - Century Club - Farmers Insurance Open
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  - San Diego Bayfair-Thunderboats
  - San Diego Bowl Game Association
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Introduction

The San Diego Tourism Marketing District (TMD) is an assessment district designed to facilitate the pooling of resources via the collection of assessments from San Diego lodging establishments to develop tourism within the City of San Diego to benefit the assessed businesses by increasing room night stays.

The boundaries of the TMD coincide with the City boundaries and effective September 1, 2016 all lodging businesses within the City with 70 or more rooms are assessed two percent (2%) of eligible gross room revenues.

The guiding document for the TMD is the Tourism Marketing District Management Plan (Plan) created by the assessed businesses and approved by City Council in August 2016. The Plan specifies how the assessments may be used and the general funding procedures and criteria.

The Plan also outlines the process for oversight and administration. And, perhaps most importantly, it provides for the empowerment of assessed business owners with the local expertise and knowledge to evaluate and make recommendations on programs and services to specifically benefit the assessed lodging businesses through such activities as: marketing of the area; tourism promotion activities; and special events and programs.

The San Diego Tourism Marketing District (SDTMD) Corporation is the non-profit organization representing the assessed businesses that works with the City through an Operating Agreement to implement the TMD Management Plan.

This FY 2018 Report of Activities reflects the recommended allocations of assessments for FY2018; July 1, 2017 through June 30, 2018.
Quick Facts

San Diego Tourism Marketing District:
Modified by Resolution R-310664 (August 3, 2016) effective September 1, 2016
District ends June 30, 2052

Agreement between City and TMD Management Corporation:
Approved by Resolution R-310731; effective November 1, 2016 through October 31, 2021

Advisory Board and Contracted TMD Management Corporation:
San Diego Tourism Marketing District (SDTMD)
8880 Rio San Diego Drive, Suite 800, San Diego, CA 92108
(619) 209-6108 www.sdtmd.org

Assessment Methodology Authorized by Resolution No. R-310664:
The assessment rate of two percent (2%) is based on the privileges directly conferred and specific benefit directly received by assessed businesses from the activities provided and is levied on “Assessable Rent” which is based on gross room rental revenue less exempt revenues, of those benefitting businesses.

No Changes to Boundaries or Assessment Methodology:
No changes are proposed to the boundaries, which encompass the entire City of San Diego.

Benefit Zones:
None

FY2018 Budget Total
Estimated Available Tourism Marketing District (TMD) Funds FY2018: $40,074,576
Budget Summary

CALCULATION OF AVAILABLE TOURISM MARKETING DISTRICT FUNDS FOR FY2018

Projected Assessments $36,855,968
Projected FY17 – Part II carryover 3,058,608
Projected Interest and Penalties 160,000
Contributions from Other Sources of Funding*: 0
Total FY2018 Funds Available $40,074,576

PROPOSED ACTIVITIES FOR FY 2018*
(Pursuant to San Diego Tourism Marketing District Management Plan August 2016)

Targeted Marketing and Sales Programs $18,746,772
Destination Marketing 15,500,613

Sub-Total $34,247,385

Destination Marketing – SDTMD Master Plan 37,500
Administration & Operations (Includes carryover of $94,631) 2,097,429
Opportunity/Catastrophe Reserve (Includes carryover of $1,249,763
Less: $400,300 used for FY18 funding requests) 2,692,262
Indemnification reserve 1,000,000

Total $40,074,576

* Please see Page 6 for detail of recommended allocations and required Matching Funds for funded entities
FY2018 Allocations

The FY2018 recommended allocations to other entities total $34,247,385. Per the FY2018 Application Guidelines, the deadline for the annual Applications was December 9, 2016. All submitted applications were reviewed, ranked, and allocations recommended. Ranking factors included time of year, new versus existing rooms, and potential for growth. Incremental applications were also considered and prior year recommendations were also included in the final recommendation. The information below reflects the recommended amounts for FY2018.

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>TMD FUNDS</th>
<th>NON-TMD FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority-Base</td>
<td>$31,987,785</td>
<td>--</td>
</tr>
<tr>
<td>SDTA/SD Sports Alliance/Breeders Cup</td>
<td>100,000</td>
<td>--</td>
</tr>
<tr>
<td>SDTA/SD Sports Alliance/US Australian Football</td>
<td>29,700</td>
<td>--</td>
</tr>
<tr>
<td>SDTA/SD Sports Alliance/Thanksgiving Soccer</td>
<td>50,000</td>
<td>--</td>
</tr>
<tr>
<td>SDTA/SD Sports Alliance/Elite Soccer Championship</td>
<td>60,000</td>
<td>--</td>
</tr>
<tr>
<td>SDTA/SD Sports Alliance/US Soccer</td>
<td>500,000</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total SDTA</strong></td>
<td><strong>32,727,485</strong></td>
<td><strong>$4,452,483</strong></td>
</tr>
<tr>
<td>California Police Athletic Federation*</td>
<td>50,000</td>
<td>141,500</td>
</tr>
<tr>
<td>California State Games</td>
<td>150,000</td>
<td>500,000</td>
</tr>
<tr>
<td>California State Games – USA Masters Games</td>
<td>150,000</td>
<td>1,014,500</td>
</tr>
<tr>
<td>Century Club - Farmers Insurance Open*</td>
<td>100,000</td>
<td>808,625</td>
</tr>
<tr>
<td>Extreme Sailing</td>
<td>400,000</td>
<td>600,000</td>
</tr>
<tr>
<td>San Diego Bayfair-Thunderboats</td>
<td>95,000</td>
<td>301,000</td>
</tr>
<tr>
<td>San Diego Bowl Game Association*</td>
<td>300,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>San Diego Brewers Guild – Beer Week</td>
<td>74,900</td>
<td>40,100</td>
</tr>
<tr>
<td>San Diego Crew Classic*</td>
<td>200,000</td>
<td>1,050,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>34,247,385</strong></td>
<td><strong>9,908,208</strong></td>
</tr>
</tbody>
</table>

*THESE ENTITIES ARE RECOMMENDED FOR A LESSER AMOUNT THAN REQUESTED, REVISED BUDGETS WITH NON-TMD FUND PORTION TO BE SUBMITTED BY CONTRACTOR. AMOUNTS REPORTED ARE ESTIMATED BASED ON ORIGINAL BUDGET SUBMISSION.*
# San Diego Tourism Authority
## Budget Summary

### Targeted Marketing and Sales Programs

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, Taxes &amp; Employee benefits</td>
<td>$4,437,688</td>
</tr>
<tr>
<td>Advertising</td>
<td>8,105,809</td>
</tr>
<tr>
<td>Advertising agency fees</td>
<td>137,750</td>
</tr>
<tr>
<td>Dues/ Subscriptions/Memberships</td>
<td>79,392</td>
</tr>
<tr>
<td>Entertainment</td>
<td>43,252</td>
</tr>
<tr>
<td>Event registration fees</td>
<td>212,241</td>
</tr>
<tr>
<td>Lead generation services</td>
<td>102,600</td>
</tr>
<tr>
<td>Marketing materials and brochures</td>
<td>6,650</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>459,154</td>
</tr>
<tr>
<td>Promotional Items</td>
<td>38,996</td>
</tr>
<tr>
<td>Rentals – remote space office</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>221,445</td>
</tr>
<tr>
<td>Special event production</td>
<td>79,578</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>94,050</td>
</tr>
<tr>
<td>Travel</td>
<td>266,971</td>
</tr>
<tr>
<td>Allocation of Indirect Costs</td>
<td></td>
</tr>
<tr>
<td><strong>Total Targeted Marketing and Sales Programs</strong></td>
<td><strong>16,487,172</strong></td>
</tr>
</tbody>
</table>

### Destination Marketing

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, Taxes &amp; Employee Benefits</td>
<td>1,433,546</td>
</tr>
<tr>
<td>Advertising</td>
<td>8,081,650</td>
</tr>
<tr>
<td>Advertising agency fees</td>
<td>1,792,650</td>
</tr>
<tr>
<td>Dues/ Subscriptions/Memberships</td>
<td>10,854</td>
</tr>
<tr>
<td>Event registration fees</td>
<td>71,620</td>
</tr>
<tr>
<td>Marketing Materials &amp; Brochures</td>
<td>11,400</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>1,536,435</td>
</tr>
<tr>
<td>Promotional items</td>
<td>31,825</td>
</tr>
<tr>
<td>Rentals – booth space</td>
<td>6,650</td>
</tr>
<tr>
<td>Research</td>
<td>213,751</td>
</tr>
<tr>
<td>Special Event production</td>
<td>23,892</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>24,510</td>
</tr>
<tr>
<td>Travel</td>
<td>246,168</td>
</tr>
<tr>
<td>Allocation of Indirect Costs</td>
<td></td>
</tr>
<tr>
<td><strong>Total Destination Marketing</strong></td>
<td><strong>15,500,613</strong></td>
</tr>
</tbody>
</table>

Total: $31,987,785

### SDTA/SD Sports Alliance Sponsorships

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorships</td>
<td>739,700</td>
</tr>
</tbody>
</table>

Grand Total: **$32,727,485**
San Diego Tourism Authority
Program of Work

The San Diego Tourism Authority (SDTA) is San Diego's umbrella destination marketing organization, charged with driving visitor demand and monitoring the health of the tourism industry. SDTA develops sales and marketing programs that promote San Diego as a preferred leisure and meetings destination. In collaboration with San Diego's tourism industry partners, SDTA serves as the collective voice of the destination and aims to keep San Diego top-of-mind.

Incorporated in 1954, SDTA is a private nonprofit 501c6 corporation that is governed by a 30-member board of directors composed of industry and non-industry representatives. Funding comes from the City of San Diego Tourism Marketing District, County of San Diego, City of Coronado Tourism Improvement District and private source revenues (membership dues, advertising and events).

Investment by the SDTA in sales and marketing of the San Diego brand has resulted in San Diego becoming one of the nation's top travel destinations.

Strategic Imperatives

- Grow visitor demand for San Diego.
- Strengthen and maximize the San Diego brand domestically and internationally.
- Deliver consistent value for our customers and stakeholders.
- Actively inform, advocate and educate on behalf of the visitor industry.
- Reinforce and support a culture of excellence.

Introduction and Overview

The 2017–2018 San Diego Destination Sales and Marketing Plan is a comprehensive plan developed to guide SDTA's sales and marketing programs over the next two years.

The goal is to grow inbound travel demand and visitation revenues by boosting brand awareness, building new markets and converting more customers to choose San Diego.

This strategic plan has been developed with the San Diego Tourism Marketing District's 20-Year Master Plan in mind. The plan takes into account current market conditions, tourism industry forecasts, SDTA funding resources, Visit California opportunities and Brand USA developments. Annual work plans are then developed to match funding resources to strategic initiatives.

Eight Guiding Principles Used In the Development Of The Plan

1. Drive the maximum hotel room nights for Tourism Marketing District Hotels.
2. Act as the collective voice of the destination and do what individual organizations can't do by themselves.
3. Elevate the San Diego brand and broaden context of San Diego’s diverse travel product.

4. Leverage all SDTA’s marketing assets across Bought + Earned + Owned in order to increase San Diego’s share of voice.

5. Focus on developing new markets and audiences for the destination.

6. Align programs with Visit California and Brand USA in order to maximize efficiency.

7. Deliver strong return on investment for all major programs.

8. Support the membership by providing value and opportunity to effectively reach the marketplace.

**Destination Forecasting – as of December 2016 (Source: Tourism Economics)**

Projected growth in 2016 for U.S. domestic travel in both the leisure and business segments is lower than seen in 2015. Leisure travel will continue to experience growth at the 1-2 percent level through 2020, while business travel actually declined in 2016 (-0.6%) over 2015, and is forecasted to remain under 1 percent per annum through 2019.

Growth in visits to San Diego is expected to continue but the forecast is for improved growth in 2017 and 2018 growth expanding again to about 2 percent, before the market levels off in 2019 and 2020 to about 1.5 percent. Overnight visitation will expand by 1.0 percent in 2016 and will edge up to 1.9 percent growth in 2017 as global demand remains muted; some further rebound is then expected in 2018 as growth reached 2.0 percent. Growth in day visits will reach 1.2 percent in 2016. As fuel costs remain low and consumers gain confidence, day visits will improve to 1.5 percent in 2017 before easing slightly to 1.4 percent in 2018 as travel costs gradually climb. Visitor expenditures in San Diego are expected to rise 4.2 percent in 2016, ramping up to 5.3 percent in 2017 and easing back to 4.2 percent by 2018. San Diego’s key feeder markets in the western U.S. are experiencing good GDP growth and lower unemployment, which are important for San Diego’s travel demand.

### San Diego Annual Travel Forecast

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits</td>
<td>2.1%</td>
<td>1.4%</td>
<td>1.1%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.4%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Day</td>
<td>1.2%</td>
<td>1.0%</td>
<td>1.2%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>1.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Overnight</td>
<td>2.9%</td>
<td>1.8%</td>
<td>1.0%</td>
<td>1.9%</td>
<td>2.0%</td>
<td>1.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Expenditures</td>
<td>9.7%</td>
<td>7.7%</td>
<td>4.2%</td>
<td>5.3%</td>
<td>4.2%</td>
<td>3.7%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Day</td>
<td>4.0%</td>
<td>2.0%</td>
<td>2.3%</td>
<td>4.6%</td>
<td>4.0%</td>
<td>4.1%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Overnight</td>
<td>10.4%</td>
<td>8.4%</td>
<td>4.4%</td>
<td>5.3%</td>
<td>4.2%</td>
<td>3.7%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

**HOTEL SECTOR**

| Room Supply                           | 2.1% | 1.0% | 1.2% | 1.7% | 1.3% | 1.8% | 1.1% |
| Room Demand                           | 6.4% | 3.4% | 1.3% | 2.5% | 1.7% | 1.1% | 1.2% |
| Occupancy (%)                         | 74.6 | 76.4 | 76.4 | 77.1 | 77.4 | 76.9 | 76.9 |
| ADR ($)                                | $141.38 | $150.03 | $154.21 | $159.30 | $165.00 | $171.47 | $177.82 |
Specific to the lodging sector, hotel room demand in San Diego will give up its growth premium over the US in 2016 due, in part, to a weaker than expected first half, rising 1.3 percent in for the year. Coupled with 1.2 percent growth in the supply of available rooms, this will weigh on hotel occupancy which is expected to register 76.4 percent in 2016. As such, ADR is expected to advance 2.8 percent in 2016 to $154. Looking forward over the forecast horizon, uncertainty in both domestic and international markets will continue to weigh on the San Diego lodging market, as well as the US lodging sector as a whole.

Following a flat Quarter 1 in 2016, Quarter 1 of 2017 is forecasted to see a slight decline in occupancy (-0.1%) as supply growth outpaces demand in the quarter. Quarter 2 room demand growth is strongest in 2017 at 5 percent, after which demand growth eases to just over 2 percent in Q3 and Q4. The ADR is expected to average 2 to 3 percent throughout 2017.

### San Diego Hotel Sector Forecast By Quarter (2016 - 2018)

<table>
<thead>
<tr>
<th>Rooms (in million roomnights)</th>
<th>2016 Q1</th>
<th>2016 Q2</th>
<th>2016 Q3</th>
<th>2016 Q4</th>
<th>2017 Q1</th>
<th>2017 Q2</th>
<th>2017 Q3</th>
<th>2017 Q4</th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Supply</td>
<td>5.4</td>
<td>5.5</td>
<td>5.6</td>
<td>5.7</td>
<td>5.6</td>
<td>5.7</td>
<td>5.7</td>
<td>5.8</td>
<td>5.6</td>
<td>5.7</td>
<td>5.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Room Demand</td>
<td>4.1</td>
<td>4.4</td>
<td>4.7</td>
<td>3.9</td>
<td>4.1</td>
<td>4.5</td>
<td>4.8</td>
<td>4.0</td>
<td>4.2</td>
<td>4.5</td>
<td>4.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Occupancy (% balance)</td>
<td>74.5%</td>
<td>79.1%</td>
<td>83.3%</td>
<td>69.0%</td>
<td>74.3%</td>
<td>79.1%</td>
<td>84.7%</td>
<td>70.3%</td>
<td>75.2%</td>
<td>79.5%</td>
<td>84.8%</td>
<td>70.2%</td>
</tr>
<tr>
<td>ADR ($)</td>
<td>$144.0</td>
<td>$155.6</td>
<td>$173.1</td>
<td>$140.9</td>
<td>$148.1</td>
<td>$160.6</td>
<td>$178.4</td>
<td>$146.5</td>
<td>$154.1</td>
<td>$167.2</td>
<td>$184.6</td>
<td>$150.4</td>
</tr>
<tr>
<td>RevPAR ($)</td>
<td>$107.2</td>
<td>$123.0</td>
<td>$144.3</td>
<td>$97.2</td>
<td>$110.0</td>
<td>$127.0</td>
<td>$151.1</td>
<td>$103.0</td>
<td>$115.8</td>
<td>$133.0</td>
<td>$156.5</td>
<td>$105.5</td>
</tr>
</tbody>
</table>

### The Leisure Travel Market

### FY2018 Key Strategies And Tactics

1. Align San Diego marketing programs with Visit California and Brand USA, capitalizing on their respective $100 million and $200 million global marketing programs. Position San Diego as the best of everything California has to offer all in one place.

2. Generate maximum hotel/motel visitor volume for the destination by protecting existing volume markets and building opportunity markets.

3. Invest in research and database analysis to focus marketing programs, dollars and timing against the destination’s best travel prospects.
   a. Conduct deeper analysis of the Los Angeles Designated Market Area to determine if a threat exists due to growing traffic and rise of competitive destinations.
b. Update the new market development matrix, evaluating market potential versus market cost.

c. Update the five-year San Diego Tourism forecasting model.

d. Continue to invest in core visitor industry performance intelligence such as the CIC Research San Diego County Visitor Profile, Smith Travel Research San Diego Hotel Market Analysis and OTTI Overseas Travel Arrivals.

e. Continue program measurement tracking, including TNS Return on Investment Advertising Studies and OTA Analysis.

f. Align database analysis with online marketing to profile customers across the OWNED and SHARED media channels (website, digital, destination blog, YouTube, social media).

4. Launch new advertising creative and media strategies based on the “Beach-City” messaging.

5. Build on the impact of the 2016 advertising campaign.

a. Incorporate national and regional layers to effectively reach the existing volume markets while building opportunity markets.

b. Due to declining effective media buying dollars, concentrate Brand Advertising media spending in the January–June time period to ensure strong peak travel seasons and run Promotional media during the September–December time period to support the shoulder seasons.

c. Utilize a multimedia mix (e.g., television, digital, out-of-home, print) to effectively break through the clutter and reach targeted audiences.

d. Target audiences through a persona-based approach and develop new content to build the brand story.

e. Raise over $500,000 annually in cooperative funding.

f. Adjust the advertising program based on insights from the Spring and Fall TNS Advertising Return-on-Investment Studies.

6. Increase San Diego’s share of voice and leverage the paid media budget through unpaid EARNED media programs.

a. Public Relations—produce $30+ million annually in unpaid editorial. Expand paid advertising’s reach by targeting new markets and audiences. Continue to pitch the diversity of product as well as what’s new in the destination. Continue to target the gay/lesbian niche and build upon U.S. Hispanic/Spanish-language outreach.

b. Unpaid Media Promotions—generate over $1 million annually in unpaid media promotions that extend the San Diego brand message in key geographic markets.

7. Connect with travelers and communicate the depth of San Diego travel experiences through OWNED and SOCIAL media channels.

a. With Sandiego.org now on a responsive platform (converged desktop, tablet and mobile versions), invest in new visuals and campaigns to grow audiences.

b. Continue to build new content working with travel writers and users to generate compelling experiences.
c. Showcase the destination and SDTA members by driving more traffic to all channels.
d. Partner with outside publications to produce the San Diego Official Travel Guide (San Diego Magazine), San Diego Golf Map (San Diego Certified) and San Diego Pocket Map (Where Magazine).

8. Deepen alliances with community partners to promote the breadth of San Diego’s travel product:
   a. Arts and Culture—City of San Diego Commission for Arts and Culture
   b. Craft Beer—San Diego Brewer’s Guild
   c. Food—California Restaurant Association, San Diego Chapter
   d. Attractions – Major attraction partners
   e. Major events – Community and event organizers

9. Partner with the major Online Travel Agencies to increase awareness of San Diego and grow sales of hotel room nights for the TMD.
   a. Through RFP, select key OTAs to run paid media and promotions both domestically and internationally. Effectively reach travel prospects by running high-profile placements; deploying competitive destination targeting; developing geo-targeted campaigns; and affinity targeting.
   b. Conduct reservation agent training on the San Diego travel product and experience.
   c. Facilitate bringing together OTA market managers and SDTA members to grow San Diego product inclusion in OTA channels.

10. Assist visitors with planning their San Diego trip through:
   a. Sandiego.org —The Official Travel Resource for the San Diego Region.
   b. Visitor publications.
   c. Visitor services in the form of phone and email responses to visitor inquiries.

11. Continue to market to the Travel Trade as a means of influencing transient travel to the destination.
   a. Major Travel Partners—continue to target the top-producing travel agencies through sales calls and direct marketing. Seek opportunities for partners to increase promotion of San Diego to their customers.
   b. Airline Vacation Offices – partner with key airlines to develop packages and promotions.
   c. Industry Support – continue to participate in major industry shows such as NTA and SYTA to show San Diego tourism support and build new business.

12. Partner with the San Diego Regional Airport Authority to develop and support new air service, especially international routes.

13. Increase international marketing programs and investment to capitalize on both the Visit California and Brand USA global marketing programs.
   a. Create individual country plans for each major international market that is targeted.
   b. Ensure a foundational layer of international development with In-Country Representation, Travel Trade Development and Public Relations.
c. Offer the sandiego.org web site in in multiple languages and Google translate options.
d. Run localized social media campaigns as feasible.
e. Host travel trade and media FAMs to grow education among key influencers.
f. Deploy incremental funding from the TMD for long-range international market development using the Tourism Economics Market Allocation Platform (See International Marketing Plan).

The Citywide Conventions Market

1. Continue to advocate for contiguous on-site expansion of the San Diego Convention Center in order to meet customer needs and ensure growth of citywide room nights for the destination.

2. Due to the expansion delay and uncertainty, shift sales and marketing to best maximize utilization of the existing facility and generate the greatest hotel room night demand.
   a. Focus on filling open dates within the next ten years.
   b. Capitalize on MINT, Top Medical Meetings, Competitive Calendars and top 250 Shows List databases to uncover new accounts.
   c. Host prospective clients in San Diego to familiarize them with the convention center package.
   d. Secure medical citywide rotations by booking multi-year contracts.

3. Monitor developments in the West Coast convention centers (such as San Francisco’s Moscone Convention Center and Anaheim), as improvements in these centers pose a threat to our base of business. Evaluate developments at other centers (such as Boston Convention Center), that offer key vertical segments an alternative destination.

4. Leverage SDTA sales teams’ synergies to increase market intelligence, establish stronger sales presence and better service key customers.
   a. Continue collaboration between the Citywide and Hotel Meetings sales teams in order to achieve new savings, garner business referrals, and identify new prospects and sales opportunities.
   b. Work a collaborative plan to maximize trade show presence, sales trips and industry events.
   c. Analyze each account to see if there is citywide potential (or single property potential).

5. Secure facility revenue through Group Contract Agreements and Guidelines. Offer reduced or discounted deviations from the standard license fee rates if needed to secure core business over need periods and holiday dates.
   a. Continue to partner with the San Diego Convention Center facility team in site visits and negotiations to ensure that revenue and booking goals are achieved.
   b. Develop deeper understanding of the center’s operational costs in order to best qualify future business opportunities.
   c. Maximize the SDCC catering food and beverage and audiovisual contracts for revenue generation, and hold clients accountable for meeting expectations.

6. Identify and support conventions that align with San Diego’s business strength and identity to grow further destination awareness.
**Hotel Meetings Markets**

1. Continue the business strategy by focusing sales team members on new customer acquisition and services team members on Assist and Repeat business.
   a. New customers are defined as meetings that haven’t met in San Diego previously and/or meetings that haven’t met in San Diego in the last five years.
   b. Assists are defined as supporting hotel members as they work with a meeting planner to sell San Diego versus another destination, when we did not generate the lead.
   c. Repeats are defined as groups that return to San Diego annually and need our assistance in hotel consideration (e.g., Surf Cup, USMC graduation, Nomads Soccer, etc.).

2. Strategically place sales resources in key source in all key markets in the West Coast, Midwest, Washington, D.C., Southeast and East Coast.

3. Continue direct marketing programs, including lead generation promotions and monthly email campaigns to top accounts and prospects.

4. Capitalize on the new “Beach-City” positioning to raise awareness of San Diego’s business culture, diversity, and world-class amenities

5. Fully leverage social media platforms such as LinkedIn and Twitter to prospect new customers and maximize attendance.

6. Hold in-market events for San Diego in primary and secondary markets to introduce San Diego to new customers

7. Build Site Inspection training program for hotels to deliver consistently high levels of destination-wide sites and conversion.

8. Support members by broadening the responsibilities of the site services team to assist hotels and ensure we “keep it in San Diego.”

9. Reimagine customer experience programs (a/k/a FAMS) to offer more personalized and creative options to entice and convert meeting planners.

10. Continue to build upon the San Diego Meeting Certified program to ensure destination excellence across the hospitality community. Create a competitive selling advantage by touting the “only in San Diego” certification program.

**International Market Development**

**Goal**

To grow international visitation to San Diego to stimulate more hotel room night demand and greater economic benefit for the San Diego community.

**From 5.9 Million International Arrivals in 2014 to 7.1 Million International Arrivals In 2020**

**Core Objective**

To create awareness of the San Diego brand and increase consideration to travel.
Key Strategies
1. Identify priority markets for San Diego marketing investment.
2. Align San Diego marketing programs with Visit California and Brand USA in order to maximize efficiency.
3. Partner with the San Diego Regional Airport Authority and other Southwestern regional transportation partners to increase access to San Diego.
4. Make San Diego travel product more easily available in international markets.
5. Build a communications foundation that delivers key messaging for each of the priority markets.
6. Invest in research and tracking to support the international program of work.

Priority Markets:
1. Canada
2. United Kingdom/Ireland
3. China
4. México
5. Japan
6. Australia/New Zealand
7. Germany/Switzerland (air service support)

Sub-Region Sales and Marketing Plan

Sub-Region Marketing Program Objectives
1. Increase overall group and transient room night demand for San Diego Tourism Marketing District properties through promotion of the TMD’s distinct sub-regions.
2. Raise awareness of and preference for San Diego’s sub-regions by showcasing the differentiating products and experiences for the six defined sub-markets outside the Downtown urban core.
3. Continue to partner with the TMD Board and Sub-Regional Hotel Advisory Committee on program of work development. (Note: program of work must be consistent with the stated goals and objectives of the SDTA to the extent they comply with the requirements of the TMD management plan, and shall utilize proven marketing and media channels.)
4. Continue to build off the overall destination sales and marketing plan in order to create synergy and efficiency.

Key Performance Indicators (Source: as reported by STR for defined sub regions)
1. Sub-Region Occupancy and YOY Growth
2. Sub-Region ADR and YOY Growth
3. Sub-Region RevPAR and YOY Growth
Sub-Region Sales and Marketing Plan Target Audiences:

**Primary 1: Domestic Leisure Travelers**
Luxury: Adults 25-64, HHI >$100K, Top DMAs, Adult Indulgence Target
Economy: Adults 25-54, HHI >$50K, Top DMAs, Outdoor Recreation and Family Fun Targets

**Primary 2: Meeting Planners, Corporate and Association**
Small regional corporate meeting planners and small regional associations, emerging corporate meetings.

**Secondary: Meeting Planners, Group Specialty Markets**
Military, Government, Education, Multicultural, Clubs/Hobby Groups, Religious, Fraternal/Social and Service Groups

**Tertiary: International leisure travelers**
Priority markets are Canada, Mexico, the United Kingdom, China, Japan and Australia.

**Key Strategies and Tactics: Leisure Travelers**
1. Continue tour and travel development to build more leisure group sales opportunities for sub-region stakeholders.
2. Partner with the major Online Travel Agencies to develop campaigns and promote sub-regions during need periods as identified through market assessment.
3. Advertise San Diego sub-regions through targeted media outlets that reach the upscale leisure and budget-conscious traveler targets. Run “advertorial style” creative that showcases different regions, products and experiences in order to better educate customers.
4. Continue with a dedicated public relations program to generate earned media exposure for the sub-regions including pitches specifically matching neighborhood product offerings to media outlets.
5. Work with Visit California and Brand USA to include sub-regions in international media pitches and hosting opportunities where appropriate.
6. Continue the social media campaigns featuring sub-regions and engage hotel members to participate in sweepstakes, promotions and amplification campaigns.
7. Continue adding rights-free creative assets to the Media Silo library for use by sub-region lodging properties. Expand to include general destination assets.
8. Provide quarterly reporting to all stakeholders and planning input sessions with Sub-Regional Hotel Leadership.
9. Distribute a promotional calendar of sub-region marketing campaigns including advertising, social media promotions, PR opportunities and OTA campaigns to all participating lodging properties.
Key Strategies and Tactics: Meeting Planners
1. Continue development of new customer acquisition programs including partnering with media companies and third-party resources to identify new business prospects and developing direct marketing programs to grow audiences.
2. Support sales lead generation through email marketing, social media promotions, trade shows and industry event attendance.
3. Continue to work with sub-region hotels to identify specific need dates for sales team focus.
4. Build customer relationships through customized site visits and in-market/to the customer San Diego events that showcase the diversity of the San Diego region.
5. Ensure sales and service team deployment and specialty assignments support sub-region lodging properties group meeting needs.
6. Work with key media partners to identify 20-25 customers that have not booked San Diego in the past but could book a sub-region hotel. Bring the customers together on three to four FAM trips per year.

Funding Request $32,002,993
Funding Recommendation $31,987,785

Ranking:
• Directors’ Aggregate Ranking: #1 of 13

Return on Investment (ROI) - Projected:
• Total hotel room nights 3,976,500
• New hotel room nights of total 0
• Return @ $173.28 ADR (average daily rate) $31,987,785
• ROI 21.5:1

SDTA/SD Sports Alliance Sponsorships
Breeders’ Cup World Championships
Past Breeders’ Cup economic impact statistics indicate a strong benefit for the region that hosts the event. For example, two-thirds of Breeders’ Cup attendees come from outside of California. This is an affluent and intensely passionate following. This year’s organizers anticipate 30,000 room nights will be consumed in November in San Diego County. This opportunity can reach far beyond 2017, with the potential to establish Del Mar as a regular Breeder’s Cup destination.

US Australian Football
The 2017 USAFL National Championships will be held the weekend of October 21-22, 2017. This is the largest Australian Football tournament in the world, with 4 men’s divisions, 2 women’s divisions, encompassing over 1,000 athletes competing in over 64 games.
Thanksgiving Soccer
This event attracts both boys and girls teams 14 years of age and under. Because it is held over the Thanksgiving Weekend, entire families travel together and are expected to consume 8,000 hotel room nights.

Elite Soccer Championships
The goal of the Elite Clubs National League is to change the landscape for elite female soccer players in the United States through innovative, player-centered programming. San Diego will be host to the National Championship in June 2018. Teams are required to book hotels in the Elite Soccer block which are exclusively TMD hotels.

US Soccer (Surf Cup Sports)
The “Development Academy (DA) National Summer Showcase” is a two-week event to be held in San Diego late June 2018 with 426 youth teams encompassing 10,000 players and almost 1,000 coaches and staff. The projected number of TMD hotel room nights consumed by teams exclusive of family/spectators is 23,000. Because the players are youth, there is significant family travel which creates additional value to this program. Other benefits include the use of TMD hotels outside of the downtown core and there is interest on the part of US Soccer to find a long term home for this annual event.

<table>
<thead>
<tr>
<th>Sponsorship ROI Summary</th>
<th>Anticipated Room Nights</th>
<th>Est. Room Revenue</th>
<th>Projected ROI</th>
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<tr>
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<td>US Australian Football</td>
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<td>Thanksgiving Soccer</td>
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<td>US Soccer</td>
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<td>23,322</td>
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</table>
California Police Athletic Federation

The 2018 United States Police and Fire Championships will be celebrating its 52nd year of competition in San Diego. The event will be held in June, 2018. Athletes representing law enforcement, firefighters, and officers from corrections, probation, border protection, immigration and customs from across the country compete annually in 42 Olympic-Style sports in 35 venues throughout San Diego County.

The United States Police & Fire Championships will use the SDTMD Funding to market to athletes participating in the championships and to facilitate outreach to affinity groups in the law enforcement and firefighting communities. The goal is to present San Diego not only as their sporting venue but their family vacation destination. Athletes and their families come to San Diego for the games and stay for vacation, and the foundation actively promotes this outcome.

The Federation currently utilizes a dedicated group of sports coordinators and volunteers to assist with the Games throughout the San Diego Region. Respected officials such as world renowned boxing official Patrick Russell and nationally recognized venues like Torrey Pines Golf Course are used to solidify the event as a sought after and established competition. Each year the event has grown substantially, and incremental room nights have increased with SDTMD dollars spent on marketing efforts.

Funding will be used for a diverse cross-section of promotional activities including postcards, brochures and promotional items.

Funding Request $71,500
Funding Recommendation $50,000

Ranking:
• Directors’ Aggregate Ranking: #9 of 13

Return on Investment (ROI) - Projected:
• Total hotel room nights 11,118
• New hotel room nights of total 2,400
• Return @ $160.12 ADR (average daily rate) $1,780,214
• ROI 35.5:1
California State Games

The California State Games is a multi-sport, Olympic style series of events that takes place in San Diego in July for the summer events and in the months of February and March for the winter events. Ranging from archery to taekwondo in the summer and including hockey and skating in the winter, the events take place at dozens of locations on weekends.

The California State Summer Games will host over 9,000 athletes who will compete in 24 sports at venues throughout San Diego in July 2017. Since a large majority of athletes are under the age of 18, they attend the State Summer Games with their families and coaches. These athletes and their families are excited to come to San Diego to compete and take an extended vacation. An estimated 14,000 TMD hotel room nights will be booked in all parts of the Assessment District. A mandatory booking policy has been added whereby teams are now required to stay at host SDTMD hotels to play in the Games.

The 2018 California Winter Games will be held in February & March 2018 and consist of Ice Hockey, Gymnastics, Roller Skating and Figure Skating. Athletes are expected from Colorado, Texas, Arizona, Washington, Utah, and of course, California. A new ice rink is being added this year and with the additional ice time, they will be able to accommodate more teams, which means more TMD hotel rooms. Over 1,500 athletes and over 3,500 TMD hotel room nights are expected.

Funding to be used primarily for Marketing Contractors and a full-time Marketing Manager

<table>
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<tr>
<th>Funding Request</th>
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<tr>
<td><strong>Funding Recommendation</strong></td>
<td>$150,000</td>
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</table>

**Ranking:**
- Directors’ Aggregate Ranking: #3 of 13

**Return on Investment (ROI) - Projected:**
- Total hotel room nights: 17,500
- New hotel room nights of total: 3,000
- Return @ $145.00 ADR (average daily rate): $2,537,500
- **ROI**: 16.9:1
The USA Masters Games is a new multi-sport event for competitive adult athletes. It provides both a "national-championships-level" competitive experience in each sport and a fun, entertaining environment conducive to meeting and socializing with fellow Masters Athletes from across the U.S.A and other countries of the world. It is marketed as a Sports Festival for Masters Athletes.

The 2018 USA Masters Games will be held in San Diego in May of 2018. The Games will host over 5,000 athletes ages 21 and older in 20 different sports at venues throughout San Diego. These athletes will be coming from across the United States as well as around the world. This is part of an overall $400,000 three-year investment by the SDTMD. $100,000 was approved for FY2017 to aid their bid and $150,000 was approved for each of 2018 and 2019 to support the Masters Games in each of those two years. Since the funding was awarded in August 2016 (subject to City Council approval), a July 2017 Master Games was added and will coincide with the California State Summer Games. The non-profit California State Games will be managing the event with marketing cooperation from the San Diego Tourism Authority and San Diego Exploratory Committee.

Funding to be used for marketing expenses (printing, banners & advertising) and some administrative costs

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<td>Funding Recommendation</td>
<td>$150,000</td>
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Ranking:
- Opportunity/Catastrophe Request: N/A

Return on Investment (ROI) - Projected:
- Total hotel room nights: 10,000
- New hotel room nights of total: 10,000
- Return @ $149.00 ADR (average daily rate): $1,490,000
- ROI: 9.9:1
Century Club of San Diego
Farmers Insurance Open

Composed of more than 50 local business leaders, the Century Club of San Diego is a 501(c)(3) non-profit organization that plans and hosts San Diego’s PGA TOUR event, the Farmers Insurance Open. Since 1961, the Century Club has been dedicated to utilizing the annual tournament for many programs, including charity fundraising but mainly as a way to drive economic benefit to the City of San Diego.

The Farmers Insurance Open consistently draws millions of television viewers across the nation, as well as reaching 140 countries. Combined global viewership is over 350 million households during four days of CBS and Golf Channel coverage. Their telecast ends in the evening in the eastern time zone in January or February, when it is cold and dark, leaving a memorable impression on viewers longing for warmer climes. Though it’s too late for people to attend at that time, viewers can be motivated to plan a trip to San Diego.

The organization’s destination advertising program highlights San Diego and the golf tournament over the fall months and into the new-year. The primary goal is to increase advanced out-of-market awareness for the Tournament and thereby offering a compelling reason to visit San Diego during the last week of January.

**Funding to be used primarily for production and placement of digital advertising.**

<table>
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<tr>
<th>Funding Request</th>
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<tr>
<td>Funding Recommendation</td>
<td>$100,000</td>
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</table>

**Ranking:**

- Directors’ Aggregate Ranking: #8 of 13

**Return on Investment (ROI) - Projected:**

- Total hotel room nights: 42,571
- New hotel room nights of total: 1,710
- Return @ $160.12 ADR (average daily rate): $6,816,468
- ROI: 68.2:1
Extreme Sailing Series

The Extreme Sailing Series™ is a global, professional yacht racing Series that brings together some of the world’s very best sailors drawn from the Olympics, America’s Cup and around the world ocean racing. They sail on some of the world’s most technically advanced foiling catamarans, competing in a ‘Stadium’ format. With up to eight races each afternoon, within feet of the shoreline, the free-to-public event showcases the sport at the very highest levels, against a backdrop of some of the world’s most iconic cities including Sydney, St. Petersburg, Istanbul, Lisbon, Cardiff UK, Qingdao China and now, San Diego.

The San Diego Extreme Sailing Series will be a four-day event, October 19-22, 2017. Subject to City Council approval, funding was approved by the TMD Board on August 26, 2016. The event is conservatively projected to attract up to 40,000 attendees and 10,000 TMD room nights consisting of teams, staff, media, and spectators in its first year. Growth to 50,000 spectators and 12,500 room nights is anticipated in 2018, and growing further in future years.

**Funding to be used for a sponsorship of this new event, followed by the potential for a profit share with the SDTMD.**

<table>
<thead>
<tr>
<th>Funding Request</th>
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<td><strong>Funding Recommendation</strong></td>
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</table>

**Ranking:**
- Opportunity/Catastrophe Request: N/A

**Return on Investment (ROI) - Projected:**
- Total hotel room nights          10,000
- New hotel room nights of total   10,000
- Return @ $160.12 ADR (average daily rate) $1,601,200
- ROI                               4.0:1
San Diego Bayfair
Thunderboats Unlimited

San Diego Bayfair is a non-profit, 100% volunteer-based organization that was established to promote San Diego as a world-class tourism destination. Founded by famed Unlimited Hydroplane racer Bill Muncey in 1964, San Diego Bayfair is a beach festival and powerboat racing event set in the shoulder season of September each year on Mission Bay.

One of the organization's primary goals is to raise awareness of Mission Bay Park. The organization consists of a Board of Governors and more than 700 volunteers that come together each year to stage and promote the three-day festival.

The event has become a yearly tradition and has grown well beyond its regional base, with race teams throughout the country and fans across the globe attending each year. Nearly 100,000 attendees are drawn to the festival to see the fastest boats in the world, H1 Unlimited Hydroplanes.

Approximately 75 race teams in various categories compete on Mission Bay. To broaden the appeal, Bayfair features a live music stage, a Southern California Car Show, and a kids’ zone on Crown Point. The races have been televised on the CBS network and streamed live on the internet.

**Funding to be used for appearance fees charged by the H1 Unlimited teams**

Funding Request $95,000
Funding Recommendation $95,000

**Ranking:**
- Directors’ Aggregate Ranking: #7 of 13

**Return on Investment (ROI) - Projected:**
- Total hotel room nights 16,511
- New hotel room nights of total 600
- Return @ $160.12 ADR (average daily rate) $2,643,741
- ROI 27.8:1
San Diego Bowl Game Association
Holiday Bowl

For more than a decade, the San Diego Bowl Game Association (SDBGA) produced two college football bowl games each year in December at Qualcomm Stadium: the Holiday Bowl and the Poinsettia Bowl. However, over the years college football bowl games were added across the country and the market became saturated. In response, the SDBGA decided to focus on one game and to ultimately eliminate the Poinsettia Bowl Game, the lesser game in attendance and economic performance. With a focus on one bowl game, the organization will put all resources into marketing the Holiday Bowl.

The Holiday Bowl Game draws over 50,000 spectators each year. The game features teams from the third selection of the eligible Pac-12 teams and the fourth selection in the Big 10. The game takes place in December every year, during hotel off-peak season. The game is televised nationally on ESPN, attracting millions of viewers, who are exposed to “beauty shots” of San Diego during the telecast. The game is also broadcasted nationally on ESPN radio. The SDBGA production, the Port of San Diego Big Bay Balloon Parade, officially deemed “America’s largest balloon parade” is also televised nationally and takes place before the game on game day. In addition to the balloon parade and football game, the SDBGA will create festivals and events throughout a few day span to encourage out-of-town guests to stay in SDTMD hotels and to increase incremental room nights. Marketing efforts are focused on the location from where the teams are coming, which are determined in November.

Funding to be used for Team Payouts

<table>
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<th>Amount</th>
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Ranking:
- Directors’ Aggregate Ranking: #2 of 13

Return on Investment (ROI) - Projected:
- Total hotel room nights: 24,572
- New hotel room nights of total: 0
- Return @ $160.12 ADR (average daily rate): $3,934,468
- ROI: 13.1:1
San Diego Brewers Guild
Beer Week

The San Diego Brewers Guild (SDBG) is one of America’s most acclaimed brewing associations. SDBG is a non-profit organization and is one of the world’s most active brewing societies with 130 Brewing Company Members, 81 Applied Pub Members, and 132 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 holds more than 500 sponsored San Diego Beer Week events. SDBG also participates in craft beer events across the county to promote local beer and beer tourism to the San Diego region.

San Diego Beer Week is a ten-day county-wide festival that attracts beer tourism, fosters knowledge of our regional brewing heritage, and serves as a showcase for San Diego’s breweries, restaurants, pubs and hotels in the hotel off-peak month of November. The largest event of Beer Week is now held along the Embarcadero making access to TMD hotels a natural choice for the 1,000 or so people that come to enjoy all or part of Beer Week.

In working with the SDTMD, San Diego Beer Week has grown significantly over the years to become a destination in its own right. The SDBG solicits attendance through an extensive nationwide media blitz that targets meeting planners and groups searching for conference destinations.

Targeted and dynamic campaigns used to promote San Diego Beer Week include radio podcasts, morning talk show segments, relationships with craft beer scene writers and journalists, and ad placements in three airline flight November magazines.

**Funding to be used for targeted advertising, a PR campaign, IT support & Administrative support**

<table>
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<tr>
<th>Funding Request</th>
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<tbody>
<tr>
<td><strong>Funding Recommendation</strong></td>
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</table>

**Ranking:**

- Directors’ Aggregate Ranking: #6 of 13

**Return on Investment (ROI) - Projected:**

- Total hotel room nights: 8,000
- New hotel room nights of total: 1,000
- Return @ $160.12 ADR (average daily rate): $1,280,960
- ROI: 17.1:1
San Diego Crew Classic

The San Diego Crew Classic is a non-profit organization committed to hosting two premier rowing regattas each year on Mission Bay. The Crew Classic is celebrating its 45th year as the largest eight lane regatta in the country on the first weekend of April. The San Diego Crew Classic heralds the start of the rowing season in the United States. Since 1973 the event has showcased the city of San Diego to generations of rowers and spectators, nationally and internationally. The San Diego Crew Classic is a two-day regatta featuring 120 races and more than 4,000 athletes, a marked increase since FY2009 when first receiving TMD funding. Since 2008 they have seen an increase of more than 100 boats, with an expected 450 boats from 76 cities, 24 states plus Canada, Mexico, Great Britain, and Hong Kong for the Spring of 2018.

Their new regatta, The Winter Classic, offers a second opportunity for competitors to travel to race on Mission Bay on the first weekend of December.

TMD funding helps the organizer broaden the field of participants nationally and to continue to attract the top-level college programs to their invitational races. Paramount to their success will be efforts that grow the event’s attendance, visibility and TMD hotel use through advertising nationally as well as regionally. They plan on increasing their use of pay-per-click advertising online as it is more directed to their target audience from out-of-town with a greater ROI. They have identified the junior market as an important growth market, as well.

Another goal for 2018 is to “fill every lane” of each Master’s race. The Master events have become a reunion of old teammates returning to San Diego from across the country to race against their peers. The Master competitors are a demographic that spend a significant amount of money to travel, race, and recreate in San Diego.

Funding to be used primarily for Team Payouts and Marketing Contractors

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<th>Funding Request</th>
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Ranking:
- Directors’ Aggregate Ranking: #5 of 13

Return on Investment (ROI) - Projected:
- Total hotel room nights         | 11,500   |
- New hotel room nights of total  | 2,000    |
- Return @ $160.12 ADR (average daily rate) | $1,841,380 |
- ROI                             | 9.2:1    |
San Diego Tourism Marketing District Corporation

**Personnel**
- Employee Benefits: $23,425
- Executive Director Wages: 247,500
- Payroll tax: 19,800
- Workers Comp: 2,475

Total Personnel: 293,200

**Contract Services**
- Accounting: 240,000
- Administrative support: 15,600
- Audit: 25,000
- Legal: 620,000
- Research and compliance: 80,000
- Communications: 160,000

Total Contract Services: 1,140,600

**Overhead**
- Bank service fees: 200
- Dues and subscriptions: 800
- Insurance: 18,000
- Meals, Travel & Entertainment: 600
- Occupancy: 24,720
- Office Supplies: 5,000
- Parking: 400
- Payroll processing: 3,000
- Postage and shipping: 2,000
- Printing and reproduction: 2,000
- Telephone: 2,400

Total Overhead: 59,120

**Contingency**: 104,509

**Total SDTMD Operations**: 1,597,429

**Administration Fees to the City**: 500,000

**Total Administration**: $2,097,429
Opportunity & Catastrophe / Litigation Reserve Summary

Opportunity & Catastrophe Reserve:
5% of assessment revenue

5% Assessment revenue $1,842,798
Projected FY17 – Part II carryover 1,249,763
Utilization of reserve for FY18 funding requests (400,300)

Total Opportunity/Catastrophe Reserve $2,692,262

Litigation Reserve:
Required Amounts – subject to any approved supplemental funding requests.

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<thead>
<tr>
<th></th>
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<th>Category B</th>
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<td>Admin/distributable funds</td>
<td>4,286,425</td>
<td>249,024</td>
<td>4,535,449</td>
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<tr>
<td>Total litigation reserve funded 2nd district</td>
<td>21,484,158</td>
<td>7,153,724</td>
<td>28,637,882</td>
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<tr>
<td>FY2017 – Part II funding requirement</td>
<td>n/a</td>
<td>n/a</td>
<td>362,118</td>
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<td>FY2018 Funding requirement</td>
<td>n/a</td>
<td>1,000,000</td>
<td></td>
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<tr>
<td>Total Litigation Reserve</td>
<td></td>
<td></td>
<td>$30,000,000</td>
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</tbody>
</table>

Administrative/Interest Income

Administrative:
5% of assessment revenue plus interest income

5% Assessment revenue $1,842,798
Projected FY17 – Part II carryover 94,631
Projected interest income 160,000

Total Administrative/Interest Income $2,097,429
# Attachments

1. San Diego Tourism Marketing District Corporation (5 pages) ................................................................. Page 27
2. Management Plan Highlights (5 pages) ........................................................................................................ Page 32
3. Funding Cycle for FY2018 (1 page) ........................................................................................................... Page 37
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5. Sample Application for FY2018 (8 pages) ................................................................................................ Page 46
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SDTMD Corporation

Mission:
The San Diego Tourism Marketing District Corporation (SDTMD), formerly known as the San Diego Promotion Tourism Corporation, is a nonprofit mutual benefit corporation dedicated to improving lodging room night consumption in the City of San Diego.

Purpose:
The specific purpose of this private, non-profit corporation is to provide a private, nonprofit, funding vehicle to stimulate City of San Diego lodging room demand through tourism sales, marketing and advertising programs. The judicious allocation of these resources creates a positive economic, fiscal and employment impact on lodging businesses in the City of San Diego.

Board of Directors:
William Evans, Chair
Scott Hermes, Vice Chair
Matt Greene, Secretary
Colleen Anderson, Treasurer
Matt Adams

Richard Bartell
C. Terry Brown
John Gates
Vacancy

Staff:
Brian Hughes, Executive Director

San Diego Tourism Marketing District Corporation
8880 Rio San Diego Drive, Suite 800
San Diego, CA 92108
(619) 209-6108
bhughes@SDTMD.org
www.SDTMD.org

Management & Oversight:
The implementation of the TMD Management Plan is the responsibility of the Board of Directors of the San Diego Tourism Marketing District Corporation (SDTMD), formerly the San Diego Tourism Promotion Corporation, a private non-profit entity composed exclusively of the assessed lodging businesses.

General Powers:
Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the corporation’s activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.
Board of Directors:
Only business owners or business owner’s representatives paying the tourism marketing district assessment have the right to vote in annual elections of the association. And only business owners or business owner’s representatives paying the tourism marketing district assessment have the right to seek nomination or election to the board of directors of the association. The Board of Directors shall consist of nine (9) directors unless changed by amendment to the bylaws of the corporation.

Initial Directors:
The initial Board of Directors was appointed by the Incorporator of the Corporation, with individuals to serve for staggered terms of one, two or three years. At the first duly constituted meeting of the Board of Directors, the initial Board members drew lots to determine their individual term.

Board Nominations & Elections:
Elections to the Board of Directors are held annually and the next such meeting shall be held on or about May 16, 2017. A call for self-nominations occurs annually and all self-nominees are listed on the ballot for Board elections. In addition to, or in the absence of, self nominations, the Nominations Committee of the Board may put forth a slate of nominees at each election.

The procedure for nominations and elections, including the timing for nominations, and the protocol for the distribution and collection of ballots, is defined in the Bylaws of the Corporation. SDTMD retains a third-party contractor to administer, count and report the results of the balloting for Board elections.

Board Officers:
Officers of the Board of Directors are elected annually by a majority vote of the Board at the first regularly scheduled meeting of the Board, following the seating of new Board members.

Board Standards and Conduct:
The SDTMD is organized as a 501(c) 6, mutual benefit corporation, and has as its purpose the management of the resources of the San Diego Tourism Marketing District. The primary measure of the success of the Corporation is the benefit it delivers to the assessed businesses.

Board members, officers and members of the association are intended and understood to represent and further the economic interest of the City’s tourism industry. Board members or officers have a fundamental duty to advance the general welfare of the tourism industry in San Diego.

Because the delivery of a measurable benefit to the assessed businesses is required by law, and is the primary legal purpose of the Corporation, it is recognized that members of the Board of Directors, through their assessed businesses, will receive benefit from the activities of the SDTMD.
In addition, State law provides, and the City’s enabling Procedural Ordinance recognizes, that SDTMD is a "private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."

However, SDTMD shall comply with the Ralph M. Brown Act, California Government Code section 54950 et. seq, at all times when matters within the subject matter of the District are heard, discussed, or deliberated, and with the California Public Records Act, California Government Code section 6250 et. seq., for all documents relating to activities of the district.

Furthermore, the SDTMD Board of Directors shall comply with the California Corporations Code and shall develop internal policies defining standards, responsibilities and conduct for the Board of Directors.

Specifically, any member of the Board of the corporation, whether they are an owner, officer, or employee of an assessed business, shall disclose the material facts of their interest in a transaction, and shall recuse themselves from any discussion and decision on the transaction, when they have a material financial interest in the transaction.

**A Volunteer Board of Directors:**
The members and officers of the Board of Directors of the SDTMD serve as volunteers. They receive no monetary compensation or remuneration for their service individually or collectively.

They are not entitled to nor may they make a claim for reimbursement of any personal or professional expenses attributed to their service. Other than Directors and Officers Liability Insurance no benefits such as, but not limited to, health insurance, workman’s compensation insurance, disability insurance, or paid vacation, is provided.

**Marketing Support Programs Application Guidelines & Criteria:**
The Board of Directors annually allocates a portion of the annual revenue from the District to marketing support programs and services that can deliver a measurable return on investment.

The SDTMD will solicit and/or receive applications for funding from numerous, diverse organizations, and entities. The guidelines, criteria and application will be created/updated annually at the sole discretion of the Board of Directors.

**Limiting Contact Between Applicants and the Board of Directors:**
It is vital that the application and allocation process for funding from the SDTMD be open, fair and efficient. To this end, the written submission of the application and supporting materials as well as any public presentation that may be required from applicants will be the foundation for Board discussion and deliberations. Board members are encouraged to limit their contact and communication with applicants regarding their applications or proposed application, and to disclose any such contact or communication prior to participating in the consideration of that applicant’s submission.
Current Board Member Information:

William L. Evans, Chair
Partner, Evans Hotels
Evans Hotels represents over 800 TMD rooms in the Mission Bay/Pacific Beach, and La Jolla (SD North) regions of the City of San Diego. Mr. Evans’ three-year term expired on June 30, 2014, and he was elected for another term beginning on July 1, 2015.

Scott Hermes, Vice-Chair
General Manager, The Westin San Diego Gaslamp Quarter
The Westin San Diego Gaslamp Quarter represents 450 TMD rooms in the Gaslamp / Downtown region. Mr. Hermes was appointed to the Board to replace Mr. John Schafer, who relocated to New York in October 2015. Mr. Hermes will serve the remainder of Mr. Schafer’s term, which expires on June 30, 2017.

Matt Greene, Secretary
General Manager, Hard Rock Hotel San Diego
Located in the vibrant Gaslamp Quarter, the San Diego Hard Rock Hotel has 420 TMD rooms. Mr. Greene was elected for a three-year term beginning on July 1, 2014.

Colleen Anderson, Treasurer
General Manager, Omni San Diego Hotel
Omni Hotels represents 511 TMD rooms in the downtown area of the City of San Diego, near Petco Park. Ms. Anderson was elected for her first three-year term beginning on July 1, 2015.

Matt Adams
Area Vice President, Manchester Grand Hyatt San Diego
The Manchester Grand Hyatt San Diego has 1,628 TMD rooms and is located in the Downtown region of the City of San Diego. Mr. Adams was elected to the SDTMD Corporation Board of Directors for a three-year term beginning on July 1, 2016.

Richard Bartell
President, Bartell Hotels
Bartell Hotels represent over 1,575 TMD rooms in the Harbor, Mission Valley, Mission Bay and La Jolla (SD North) regions of the City of San Diego. Mr. Bartell’s initial three-year term expired on June 30, 2011, and he was re-elected for a second three-year term beginning on July 1, 2011. In 2014, Mr. Bartell was re-elected for another three-year term beginning on July 1, 2014.

C. Terry Brown
President, Atlas Hotels
Atlas Hotels represent over 950 TMD rooms in the Mission Valley region of the City of San Diego. Mr. Brown’s initial two-year term expired June 30, 2010, and he was re-elected for a term of three years beginning on July 1, 2010. In 2013, Mr. Brown was re-elected for a three-year term beginning on July 1, 2013 and again on July 1, 2016.
John Gates
Vice-President of Operations, Pinnacle Hotels USA
Mr. Gates oversees a large portfolio of hotels in the City of San Diego, including one downtown, two in Mission Valley and one in Rancho Bernardo, with 800 TMD hotel rooms. He was elected for her first three-year term beginning on July 1, 2015.

Vacant
One vacancy exists and is expected to be appointed by the Board of Directors at an upcoming public meeting.
Attachment 2

Management Plan Highlights

5 Pages
Management Plan Highlights

Background:
On May 8, 2007, at the request of a working group comprised of lodging industry representatives, the San Diego City Council adopted an enabling Procedural Ordinance (SDMC Section 61.2501 et seq.) that provided a process for establishing a Tourism Marketing District. Subsequently, on August 1, 2011, the City Council adopted amendments to the Procedural Ordinance specifying, among other things, a process by which such a district may be renewed. These amendments also permit a renewal term up to forty (40) years.

The original five-year San Diego Tourism Marketing District [District] was approved by the City in December 2007 and began January 1, 2008. The District was managed by representatives of the lodging business through the non-profit San Diego Tourism Marketing District (SDTMD) Corporation. Given the success of the original District, lodging industry representatives worked to renew the District and developed new guidelines for operation and administration of the renewed District which became the Tourism Marketing District Management Plan [Management Plan] approved by Council September 2012. The renewed District began on January 1, 2013.

In 2016, lodging industry representatives sought to update the District and Management Plan to address operating conditions under the renewed District. On August 2, 2016 the City Council approved the modification of the District and Management Plan to exclude lodging businesses with fewer than 70 rooms from paying and participating in the TMD effective September 1, 2016.

Assessments:
All assessment rates are based on the privileges directly conferred and specific benefit directly received by assessed businesses from the activities provided within each category and is levied on “Assessable Rent” which is based on gross room rental revenue less exempt revenues, of those benefitting businesses.

Annual assessment rates (applied to Assessable Rent of qualifying lodging businesses) are two percent (2%).

Assessments are remitted on a monthly basis to the City Treasurer by each business using a self-reporting form that provides for identifying the activity period(s) and the Assessable Rent and District assessment for the respective accounting periods.

Pursuant to the Plan, Assessable Rent does not include revenue from stays where:
• the transient has exercised occupancy or was entitled to occupancy for one month or more; or
• the total space rental charge is twenty-five dollars ($25.00) a day or less, or the accommodations rented are in a dormitory and the total space rental charge for each transient is twenty-five dollars ($25.00) a day or less; or
• the transient is by treaty, or federal law, or state law exempt from payment of transient
  occupancy taxes; or
• rent is directly paid by the United States Government or the State of California or their
  respective instrumentalities.

Assessments levied for the purpose of providing activities that benefit businesses are not taxes
for the general benefit of a city, but are assessments for the activities which confer benefits
upon the assessed businesses for which the activities are provided and do not confer benefits
upon those not paying the assessment.

Uses of Assessments:
Assessment funds will be spent to provide a specific benefit conferred or privilege granted
directly to the payor that is not provided to those not charged, and which does not exceed the
reasonable costs to the City of conferring the benefit or granting the privilege. The activities also
constitute specific government services provided directly to the payor that is not provided to
those not charged, and which do not exceed the reasonable cost to the City of providing the
services.

The privileges and services provided with District funds are sales, marketing, advertising and
promotional programs available only to assessed businesses. District activities will be designed
for the sole purpose of generating incremental room night sales at assessed businesses. Such
room night sales are of great value to assessed business sales and constitute a specific benefit for
which the assessment is charged. Non-assessed businesses will not have access to the privileges
and services provided by the assessment.

In order to ensure provision of a specific government service and benefit to payors, which does
not exceed the reasonable cost of providing the service, there are certain activities or
improvements which may not be funded by the District. These include:
• The acquisition, construction, installation or maintenance of any tangible property,
  including parking facilities, parks, planting areas, fountains, benches, booths, kiosks,
  display cases, pedestrian shelters, signs, trash receptacles, public restrooms, ramps,
  sidewalks, plazas, pedestrian malls, lighting and heating facilities.
• The closing, opening, widening or narrowing of existing or new streets.
• Facilities or equipment, or both, to enhance security and safety of persons and property
  within the area, unless included in a specific proposal to benefit the assessed businesses.
• Regular public safety and security personnel and programs, maintenance and repair,
  sanitation, nor other municipal services normally and historically provided by the City.
• Political candidate or ballot initiative activity.
• Expenditures not consistent with the terms of the District Management Plan.

SDTMD Budget Guidelines:
An annual budget will be developed and approved by the Board of Directors of the San Diego
Tourism Marketing District Corporation (SDTMD), formerly the San Diego Tourism Promotion
Corporation, and included in the prospective Fiscal Year Report of Activities submitted to the
City Council each year.
Assessments are proposed to be used for the Activities as generally outlined below. It is anticipated that ninety percent (90%) of assessment revenue will be designated annually for Marketing and Sales activities which will be tailored within the specific categories as listed below and as further described in the modified Management Plan to benefit the assessed businesses. Funding will be allocated on the basis of competitive applications or responses to specific requests for proposals.

Ten percent (10%) of assessment revenue will be designated in total annually for Administration (including actual City costs to administer the District) and for a Reserve for opportunities, catastrophes, contingencies, and renewal of the District.

The kinds of activities anticipated that fall within the 90% are grouped within two areas:

**Targeted Marketing and Sales Programs (53.9%)**
- Hotel meeting sales
- Event management & group sales development
- Consumer direct sales & marketing
- Sub-regional targeting
- Competitive targeting

**Destination Marketing (36.2%)**
- Tourism development, including travel & trade
- Group meeting destination marketing
- Multi-year tourism development
- Destination marketing

Although actual revenues of the Corporation will fluctuate, the proportional allocations as listed in the table above shall generally remain the same; however, during the budgeting process each year, the Corporation’s Board of Directors may adjust program allocations as needed to address: economic conditions; tourism trends; and changes in non-assessment funding provided to those programs. The resulting proposed annual budget submitted to City Council for consideration as part of the Annual Report of Activities will then ensure that assessment funds are to be spent on a specific benefit provided directly to assessed businesses which is not provided to those not charged. In no event will the budget for City administration costs fall below the amount necessary to recover City administration costs.

Sales and Marketing programs and services will be broadly defined by the Board of the SDTMD in order to remain current with changing consumer demands, tourism products, and technologies. Because both marketing and sales programs are necessities for successfully increasing room night sales, the Corporation will contract for marketing and sales programs and services to promote assessed lodging businesses in the District and to fund projects, programs, and activities that specifically benefit and provide unique privileges to assessed lodging businesses within the District.

The marketing and sales programs and services funded by the District are meant to deliver incremental room night sales directly to District-assessed lodging businesses. It is understood that each individual lodging business implements and privately funds a unique, proprietary...
marketing and sales program that is responsible for the generation of the vast majority of room nights at each business. District programs and services are supplemental to, and provide incremental room nights in addition to, those proprietary programs.

To allocate funding to marketing and sales programs, the Corporation’s Board of Directors must find that each will be likely to generate incremental room night sales at assessed businesses. The purpose of any funded activity must be to generate such sales. The Corporation’s Board of Directors will establish and regularly update a clearly defined application process for proposed marketing and sales programs. This application will articulate the required qualifications of applicants, the target ROI, and the measurement of results, among other criteria as means to ensure direct benefit to payors.

To guide District contractors and ensure direct specific benefits to assessees, below is a partial list of required Best Practices for implementation of District-funded programs and services. This list may be modified from time to time provided that the goal of direct and exclusive benefit to assessees is attained.

- It is required that all recipients of District funds certify that those funds will be spent to provide exclusive privileges and/or specific benefits only to District assessed businesses and not to any other, non-assessed businesses. To the extent that other, non-District, lodging businesses may receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid for with non-District funds.
- It is required that all recipients of District funds demonstrate availability of other additional non-District sources of revenue, such as but not limited to, membership dues, marketing fees, earned income, and/or participation fees, which they will contribute to the promotion or program to pay for any incidental benefit to non-District lodging businesses.
- It is required that all advertising materials and media include a call-to-action that directs consumers exclusively to District lodging businesses.
- It is required that all recipients of District funds conduct an analysis of room night generation for District lodging businesses and non-District lodging businesses in addition to a ROI analysis. The cost of efforts which generate room nights for non-District lodging businesses must be paid with non-District funds.

More information on key elements of the FY 2018 Application may be found in Attachment 4.

The Corporation shall cause to be prepared annually a report for the coming fiscal year. The Corporation shall cause to be prepared a retrospective and prospective District Milestone Report every five (5) fiscal years for which assessments are levied. This District Milestone Report will include the required annual Report of Activities for the prospective fiscal year.

The first District Milestone Report of the renewed District will include the reporting of results for the initial period of operation, from January 1, 2013 through the date of preparation of the report.
The final Milestone Report of the renewed district will include reporting of results from July 1, 2048 through June 30, 2052. Reports for the intervening period will include reporting of results for the prior five (5) years. Reports will be submitted to the City on agreed upon dates pursuant to the operating Agreement.
Attachment 3

Funding Cycle for FY 2018

1 Page
Funding Cycle for FY 2018

September – October 2016
• FY2018 applications posted online and available by request

November 2016
• Applicant workshops offered November 14 & 18, 2016

December 2016
• General applicants – FY2018 annual application deadline: December 9, 2016
• Preliminary staff review of received applications

January – February 2017
• Destination Management Organization (DMO) – San Diego Tourism Authority (SDTA) – FY2018 Annual Application Deadline: January 27, 2017
• Formal public Board presentations of qualified applicants

March – April 2017
• Formal public funding recommendations of programs by board on March 3, 2017*
• Notification of funding intention to City of San Diego
• FY2018 final budgets from approved organizations due on March 10, 2017
• SDTMD submits FY2018 budgets with R.O.I. projections and scope of work assumptions to City on or around Mid-March, 2017

May – June 2017
• FY2018 Budget presentation to City of San Diego Economic Development & Intergovernmental Relations Committee (ED&IR)/ City Council
• FY2018 contracts issued

July 2017
• FY2018 begins July 1, 2017

Note: Some dates are approximate and are subject to change
* Clarifications to recommendations to be considered/adopted by Board on March 29, 2017.
Attachment 4

Key Elements of the Application Guidelines and Requirements for FY2018

6 Pages
Key Elements of the Application Guidelines and Requirements for FY2018

The SDTMD Corporation is not a sales or marketing entity, but rather a funding conduit to contractors for development and implementation of effective sales and marketing programs and services that provide unique privileges and specifically benefit assessed businesses within the District.

The SDTMD Corporation will be responsible for allocation and distribution of available revenue and will contract with qualified third-party contractors to supply specific sales and marketing programs and services as required and approved by the Corporation’s Board of Directors.

To allocate funding to marketing and sales programs, the Corporation’s Board of Directors must find that each will be likely to generate incremental room night sales at assessed businesses. The purpose of any funded activity must be to generate such sales.

District programs and services are supplemental to, and intended to provide incremental room nights in addition to those generated by the proprietary sales and marketing programs of the individual lodging businesses.

Each applicant will be required to submit an “Application Request for TMD Funding” for specific sales and marketing programs that will provide unique privileges and specifically benefit assessed businesses within the District.

Specifically, all funding requests must delineate:
- All sales, marketing, advertising and promotional programs;
- Number of District lodging business room nights generated – existing and incremental;
- Average Daily Rate est. (from approved source such as Smith Travel Research);
- Projected sales leads to be generated (if applicable);
- Return on Investment (ROI) as measured in District room night revenue;
- Time of year (peak, shoulder, low); and
- Number of marketing impressions (included as supportive information only where applicable).

Fundamental to the funding of any application will be the projected return on investment in TMD hotel room night revenue and the benefit that will be realized to the assessment district lodging businesses. Each application must specify:
- “Who” in the assessment district will be directly benefited;
- “When” the benefits will be realized;
- “Where” in the assessment district the benefit will be realized; and
- “How” the results will be realized and tracked.
The TMD contracts with a reputable third party ROI evaluator to ensure consistency, professionalism and no bias.

When considering these fundamental application requirements, priority will be given to:

- Special-need periods of the year;
- Special-need geographic locations within the District; that may include but are not limited to a sub-region, multiple sub-regions, a neighborhood or community, or an area uniquely defined to host or support a program or event; and
- The opportunity to generate incremental room nights from existing programs or sponsoring programs.

To guide District contractors and ensure direct benefit to assessees, below is a partial list of required Best Practices for implementation of District-funded programs and services. This list may be modified from time to time provided that the goal of direct and exclusive benefit to assessees is assured:

- It is required that all recipients of District funds certify that those funds will be spent to provide exclusive privileges and/or specific benefits only to District assessed businesses and not to any other, non-assessed businesses. To the extent that other, non-District, lodging businesses may receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-District funds.
- It is required that all recipients of District funds demonstrate availability of other additional non-District sources of revenue, such as but not limited to, membership dues, marketing fees, earned income, and/or participation fees, which they will contribute to the promotion or program to pay for any incidental benefit to non-District lodging businesses.
- It is required that all advertising materials and media include a call-to-action that directs consumers exclusively to District lodging businesses.
- It is required that all recipients of District funds participate in the aforementioned analysis of room night generation and ROI analysis. The cost of efforts which generate room nights for non-District lodging businesses must be paid with non-District funds.

Other requirements of the application process are listed below.

Legal Status
- Applicants must demonstrate proof of legal status within the jurisdiction of the headquarters of their business or corporation.

Track Record
- An applicant must have demonstrable history of successful, ongoing programming or business performance prior to submitting an application.

Location
- Regardless of where an applicant is headquartered or physically located, or where a particular marketing program is implemented, 100% of the funding received from the SDTMD must be in support of programs that provide privileges directly conferred and specific benefit directly the assessed lodging businesses within the City of San Diego.
Compliance
- Former contractors of the City of San Diego must have submitted acceptable final report packages on any completed contract and be in good standing with the City of San Diego.

ADA
- Contractors will comply with the federally mandated Americans with Disability Act. Contractors and subcontractors will be individually responsible for their own ADA compliance.

EEO
- Contractors will comply with Title VII of the Civil Rights Acts of 1964, as amended; the California Fair Employment Practices Act; and any applicable federal and state laws and regulations herein enacted, as well as the City’s Non-discrimination in Contracting Ordinance.

Drug-Free Work Place
- Contractors must provide a drug-free workplace.

Oral Presentation:
- Should an application meet the fundamental requirements for consideration, and prior to any final decision, qualifying finalist may be invited to make a public, oral presentation before the SDTMD Board of Directors.

Contract Agreement
- Once the Board of Directors has approved funding and the SDTMD budget is approved by the City Council, a Contract Agreement is issued to the successful applicants. The Contract Agreement details the terms and conditions of the contract between the SDTMD Corporation and the organization and the organization’s scope of work, anticipated results and method(s) for measuring those results.

Reporting
- Successful applicants that become contractors for the Corporation will be required to submit quarterly performance updates and comprehensive annual performance reports which include the target and actual outcomes by type of activities, specific sales and marketing initiatives, etc., and samples of marketing materials. The quarterly reports must detail the way in which all assessed businesses (TMD lodging businesses) are benefited, along with the details of all TMD funds expended. The reporting periods and dates are:

  - Quarter One: July 2017 - September 2017 Due November 30, 2017
  - Quarter Two: October 2017 - December 2017 Due February 28, 2018
  - Quarter Three: January 2018 - March 2018 Due May 31, 2018
  - Quarter Four: April 2018 – June 2018 Due August 31, 2018
  - FY 2018 ANNUAL REPORT Due December 31, 2018

Auditing of Results
• The Corporation will contract with an independent third-party to audit the results and to verify District room nights and ROI.

Cost Allocation
• Funded contractors and programs must also have a cost allocation methodology which demonstrates that costs are apportioned between applicable funding sources so that the amount of assessment revenue used is proportionate to the benefit derived by District lodging businesses.

Cost Reimbursement
• All funds are awarded on a cost reimbursement basis following the City of San Diego Operations Manual. All items for reimbursement must align with the SDTMD / City approved budget and include proof of payment of the expense. The average turnaround time is 30 days from the receipt of a correctly submitted reimbursement request packet. Reimbursement requests may be submitted on a monthly basis or less frequently as arranged with staff. There can be no payment in advance, unless approved by the board for special circumstances and in compliance with the SDTMD contract with the City.

Funding Limitations
• TMD assessment funds cannot be used for alcoholic beverages. Corporation’s subcontractors shall not use TMD assessment funds for travel, meals, lodging, or entertainment expenses, unless authorized by SDTMD in advance, as provided by the Contract with the City.
• The acquisition, construction, installation or maintenance of any tangible public property, including parking facilities, parks, planting areas, fountains, benches, booths, kiosks, display cases, pedestrian shelters, signs, trash receptacles, public restrooms, ramps, sidewalks, plazas, pedestrian malls, lighting and heating of public facilities.
• The closing, opening, widening or narrowing of existing or new streets.
• Facilities or equipment, or both, to enhance security and safety of persons and property within the District, unless included in a specific proposal to benefit the assessed businesses.
• Regular public safety and security personnel and programs, maintenance and repair, sanitation, nor other municipal services normally and historically provided by the City.
• Expenditures not consistent with the terms of the District Management Plan.

Definitions
• Sales
The sales process is defined as the activities designed to close or consummate the sale. This closure can take several forms when delivering lodging room night sales. For the transient or tourist responding to the marketing activities this sale may take the form of a walk-in purchase, an on-line reservation, or a telephone reservation.

Another significant element of the lodging sales function involves group and meeting sales. The group and meeting sales process consists primarily of interpersonal interaction, activities that
engage the prospect or customer on a personal level rather than at a distance, through technology or a second party. It is often done by one-on-one meetings, cold calls, and networking. It requires significant front-line sales manpower, plus administrative, operational, and technological support, and considerable time. Often, success is the result of several years of communication and relationship building between the sales representative and the customer; who is usually a professional meeting or convention planner. The “sale” results in a signed agreement or contract for a meeting or convention that can deliver hundreds, if not thousands of hotel room nights.

• **Marketing**
  Marketing is the activity of identifying, communicating to, reaching, informing, educating, motivating and persuading prospective consumers of hotel room nights to consummate a purchase. It is the message that prepares the prospective consumer for the sale, may take many traditional and/or innovative forms, and may be modified over time as a result of changes in consumer demands, new tourism products, and advances in marketing and communication technologies. It currently consists of many strategies, tactics and components including but not limited to these examples:
  o Market Research;
  o Advertising;
  o Marketing Promotion;
  o Press and/or Public Relations;
  o New Product Development;
  o Web Strategies, Viral and E-marketing;
  o Partnership marketing; and
  o Direct Marketing (to a defined universe with a specific call to action).

• **DMOs (e.g. San Diego Tourism Authority / Convention and Visitors Bureau):**
  It is widely recognized that successful direct marketing and sales of a visitor destination is the result of a considerable investment in time and resources. Visitor destinations, of all sizes in myriad locations, compete for a finite number of consumers. Many of these visitors require lodging. This daily consumption of lodging, as measured by the industry standard of hotel room nights, is vital because the unused portion of a hotel’s available inventory spoils every day, and is never again available for sale.

Historically, businesses in visitor destinations have banded together to pool resources in order to develop coordinated messaging and to deliver a call-to-action that would result in an increase in the consumption of visitor-serving offerings. These groups have been given many names that usually contain the term “visitors bureau.” More recently, they have been recognized as Destination Marketing Organizations (DMOs). Over time these organizations have become clearinghouses for visitor-serving information, products and services, while generating incremental new business for their members. Typically, a major participant in these coordinated community, regional and/or statewide efforts are representatives of the hotel industry who, understanding the “commodity” nature of their products, constantly seek opportunities to increase daily consumer demand for them.
Depending on the location and its available visitor offerings, each DMO develops and implements a business plan to sustain current visitor levels while generating additional business from new visitors. The activities implemented to serve these goals are numerous, creative, and diverse.

The meetings industry is distinct within the visitor industry, different from tourism, with its own unique markets, requirements and agendas. Yet, like leisure visitors, meeting attendees and convention delegates require accommodations.

The success of marketing and sales efforts is predicated on the long-term establishment and operations of a local DMO. The decisions that drive these direct sales initiatives are based on years, if not decades, of research, performance analysis, brand development and messaging, plus nurtured client/vendor relationships, performed by a professional staff with administrative support requiring extensive business manpower (sales force), infrastructure (offices, equipment, transportation) and technology (internet tools).
Attachment 5

Sample Application (form) for FY 2018

14 Pages
FY2018 SDTMD FUNDING REQUIRED APPLICATION CONTENTS

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

- Signed Application Cover Page
- EXHIBIT A: Proposed Scope of Work Narrative
- EXHIBIT B: FY 2018 Budget for Proposed Scope of Work: For past SDTMD contractors, who received funds of $75,000 or more, include a copy of most recent audited financial statements. All other applicants include copy of prior year internally prepared financial statements including a balance sheet/statement of financial position and profit & loss/statement of activities.
- EXHIBIT B1: FY 2018 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
- 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.
FY 2018 Application Cover Pages

For San Diego
Tourism Marketing District Funds

APPLICANT ORGANIZATION NAME:

Mailing Address:_______________________________________________________________

____________________________________________________________________________

Telephone:_______________________________FAX:_________________________________

Website:______________________________________________________________________

Primary Contact Information:

Name:____________________________________  Title:______________________________

Telephone:_________________________________ FAX:______________________________

Email:_______________________________________________________________________

Website (if different from above):________________________________________________

BRIEF DESCRIPTION OF YOUR ORGANIZATION OR COMPANY:
YOUR ORGANIZATION MISSION STATEMENT OR STATEMENT OF PURPOSE:


YOUR ORGANIZATION’S PROGRAMS AND SERVICES:
Briefly describe your core programs and services and describe any plans for change, growth, or reduction in the proposed year. Please limit your response to one page.
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.
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 schedule 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 full set of financial statements including a Statement of Financial Position/Balance Sheet, Statement of Activities/Profit and Loss, and a statement of cash flow; 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 2018?  ☐ 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 2018?  ☐ Yes  ☐ No

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

________________________________________________________________________

________________________________________________________________________

What is your total operating budget in FY 2018?  ____________________________

Closing Date of Applicant’s Most Recently Completed Fiscal Year:  _____/_____/______
Itemize All Projected Sources of Revenue (Private + Public): ___________________

_____________________________________________________________________

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: _____________
## SDTMD Contract Budget

### Exhibit B

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### Total TMD Contract Funds

<table>
<thead>
<tr>
<th>Targeted Marketing and Sales Programs</th>
<th>Destination Marketing</th>
<th>Total - TMD Contract Amount</th>
<th>Non-assessment funded portion</th>
<th>Total Event Budget</th>
<th>Total Organizational Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td></td>
</tr>
<tr>
<td>Advertising Agency Fees</td>
<td></td>
</tr>
<tr>
<td>Bid Fees / Team pay-outs</td>
<td></td>
</tr>
<tr>
<td>Dues / Subscriptions / Memberships</td>
<td></td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
</tr>
<tr>
<td>Event Registration Fees</td>
<td></td>
</tr>
<tr>
<td>Lead Generation Services</td>
<td></td>
</tr>
<tr>
<td>Marketing Materials &amp; Brochures</td>
<td></td>
</tr>
<tr>
<td>Meals</td>
<td></td>
</tr>
<tr>
<td>Outside Contractors</td>
<td></td>
</tr>
<tr>
<td>Personnel Benefits</td>
<td></td>
</tr>
<tr>
<td>Personnel Salaries and Wages</td>
<td></td>
</tr>
<tr>
<td>Promotional Items</td>
<td></td>
</tr>
<tr>
<td>Rentals - Booth space</td>
<td></td>
</tr>
<tr>
<td>Rentals - remote sales office</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>Sales Commissions</td>
<td></td>
</tr>
<tr>
<td>Special Event Production</td>
<td></td>
</tr>
<tr>
<td>Sponsorships</td>
<td></td>
</tr>
<tr>
<td>Trade Show Expenses</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td></td>
</tr>
</tbody>
</table>

**Total Direct Expenses**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
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<tbody>
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</tbody>
</table>

### Indirect Cost Allocation (from worksheet)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
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</table>

### Total Expenses

<table>
<thead>
<tr>
<th>Amount</th>
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<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (Loss)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent revenue coverage</td>
<td></td>
</tr>
</tbody>
</table>

---

**SDTMD Contract Budget**

**Exhibit B**

**Targeted Marketing and Sales programs include:**
- Total meeting sales
- Event management & group sales development
- Consumer direct sales & marketing
- Sub-regional targeting
- Competitive targeting

**Destination Marketing includes:**
- Tourism Development, including travel & trade
- Group meeting destination marketing
- Multi-year tourism development
- Destination marketing
EXHIBIT B1
BUDGET NARRATIVE
FY 2018

Date:

ORGANIZATION NAME: _____________________________________________
SDTMD FUNDS: $____________________

ORGANIZATION'S TOTAL ANNUAL BUDGET (SDTMD + PRIVATE SOURCE): $___________________

BUDGET NARRATIVE BY CATEGORY:

Targeted Marketing and Sales Programs
SDTMD FUNDS: $ __________________

Including:
- Hotel Meeting Sales
- Event Management & Group Sales Development
- Consumer Direct Sales & Marketing Programs
- Sub-Regional Targeting
- Competitive Targeting

NARRATIVE (of budget line items):

Destination Marketing
SDTMD FUNDS: $ __________________

Including:
- Tourism Development, Including Travel & Trade
- Group Meeting Destination Marketing
- Multi-Year Tourism Development
- Destination Marketing

NARRATIVE (of budget line items):
DMO BUDGET NARRATIVE:

*EXPENSE BREAKDOWN:

- ADVERTISING FUNDS: $______________________________
- ADVERTISING AGENCY FEES: $______________________________
- PERSONNEL SALARY & WAGES $______________________________
- OTHER: $______________________________

NARRATIVE (of budget line items):
## FY 2017 TARGETED ROI WORKSHEET

_All ROI results for awarded SDTMD funds will be subject to a third-party audit._

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDTMD FUNDS REQUESTED:</td>
<td>$400,000</td>
</tr>
<tr>
<td>NON-SDTMD FUNDS FOR PROGRAM:</td>
<td>$500,000</td>
</tr>
<tr>
<td>DATES OF EVENT OR PROMOTION:</td>
<td>October 25-31, 2016</td>
</tr>
<tr>
<td>NUMBER OF YEARS THE EVENT/PROGRAM HAS BEEN IN OPERATION:</td>
<td>5 years</td>
</tr>
<tr>
<td>PROJECTED AVERAGE DAILY RATE (ADR) for EVENT OR PROMO DATES*:</td>
<td>$159.90</td>
</tr>
</tbody>
</table>

*USE SAN DIEGO CITY ADR in SDTMD Hotel Room Night Revenue from SDTA/Smith Travel/Tourism Economics*

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HISTORIC Number of SDTMD Room Nights Generated by Program/Event/Promotion</td>
<td>30,000</td>
</tr>
<tr>
<td>Total Estimated HISTORIC SDTMD Room Night Revenue @ above ADR</td>
<td>$4,790,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Number of NEW SDTMD ROOM NIGHTS generated due to proposed use of</td>
<td>15,000</td>
</tr>
<tr>
<td>SDTMD funds (Explain in your “Scope of Work Narrative”).</td>
<td></td>
</tr>
<tr>
<td>Total Estimated NEW SDTMD ROOM NIGHT REVENUE generated @ above ADR</td>
<td>$2,398,500</td>
</tr>
</tbody>
</table>

RETURN ON INVESTMENT in NEW SDTMD ROOM NIGHT REVENUE:
Total NEW SDTMD Room Night Revenue Generated: SDTMD Funds Requested.  
( F/A :1 )

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ESTIMATED SDTMD ROOM NIGHTS (combined)</td>
<td>45,000</td>
</tr>
<tr>
<td>TOTAL ESTIMATED SDTMD ROOM NIGHT REVENUE (combined)</td>
<td>$7,195,500</td>
</tr>
<tr>
<td>TOTAL IMPACT RETURN ON INVESTMENT:</td>
<td>17.99 : 1</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>MEDIA IMPRESSIONS &amp; BROADCAST EXPOSURE (If Applicable):</td>
<td></td>
</tr>
<tr>
<td>Regional, National &amp; International Broadcast Media (attach separate page if necessary)</td>
<td>NA</td>
</tr>
<tr>
<td>Web/Social/Digital Media (attach separate page if necessary)</td>
<td>See Attached Sheet</td>
</tr>
<tr>
<td>Geographical Area/Sub Region of Event if applicable</td>
<td>See Attached Sheet</td>
</tr>
</tbody>
</table>
The purpose of this form is to list the positions being claimed against Tourism Marketing District Funds for the Fiscal Year. An updated copy of this form must be maintained at all times and any adjustments must be reported to the SDTMD. Prior approval is required where changes will impact approved budgets for executed SDTMD agreements. Please round amounts to whole dollars. If the staffing claimed against TMD funds exceeds six employees (6), a separate spreadsheet is to be generated by the applicant that is supported by the applicant’s budget and submitted as “EXHIBIT F”.

<table>
<thead>
<tr>
<th>#</th>
<th>POSITION TITLE</th>
<th>JOB CLASSIFICATION (SALES/ MARKETING/ ADMIN, ETC.)</th>
<th>FOR HOURLY EMPLOYEES - AVERAGE TOTAL HRS PER MONTH (W / TMD FUNDS)</th>
<th>AVERAGE AMOUNT PAID PER MONTH (W / TMD FUNDS)</th>
<th>SALARIED EMPLOYEES ANNUAL BASE PAY (W/TMD FUNDS)</th>
<th>BONUSES AND COMMISSIONS (W/TMD FUNDS)</th>
<th>ANNUAL AMOUNT FUNDED WITH TMD FUNDS</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td></td>
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<td>6</td>
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</tbody>
</table>

**TOTAL TMD FUNDED PAYROLL**

DRAFT 10.02.15
**Mandatory Disclosure of Business Interests:** 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 between SDTMD and the Contractor.

Please list all interests per the requirement above:
Name, identity (job title and place of employment), nature of interest/transaction

<table>
<thead>
<tr>
<th>NAME</th>
<th>IDENTITY (job title &amp; place of employment)</th>
<th>NATURE OF INTEREST/TRANSACTION</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

**City of San Diego Work Force Report:**
Audit Compliance Acknowledgement

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.

I have read and understand the Audit Compliance Acknowledgement:

________________________________________________________________________

Name: Printed / Typed

________________________________________________________________________

Name: Signature  Date
Accounting Compliance Acknowledgement

General:
- Monthly submission of reconciliation reports and/or reimbursement packets is required.
- SDTMD has 30 business days from receipt of a **complete and correct** packet to review and reimburse.
- Expenses incurred older than 60 days prior to the submission will not be eligible for reimbursement without prior approval and extenuating circumstance.
- Reimbursement checks will be mailed to the Contractor.
- Copies of “Requests for reimbursement” shall be retained by contractor for no less than five years.
- Contractors are to remit reimbursement packets and budgets using SDTMD’s templates and chart of accounts.
- Additional written explanation is required on any submitted item in which the invoice is not self explanatory.
- Any calculation shown on an invoice, reducing the amount requested, needs to include an explanation of methodology or rationale for determining costs.
- Unclear, unexplained, or unsubstantiated reimbursement report items will be removed from the submission packet. In some cases, these items will be allowed to be resubmitted with explanation if it falls within the time limitations established in the contract.
- Illegible receipts will not be considered for reimbursement.
- Do not use staples or special binding for your submission packet. A large paperclip or binder clip will suffice.
- Submit your packet single sided only. Double sided packets will be returned.
- Include all pages of a multipage invoice and bank statements. (Online bank activity will also be accepted.) Please reference each item.
- Verify totals and watch out for rounding errors.
- Contractors must pay for each expense (and clear the bank) before requesting reimbursement. Contact vendors with outstanding checks if checks have not cleared. It is your responsibility to keep track of this.
- No double dipping, if reimbursed by another entity, the expense becomes ineligible
- Only out of market advertising is eligible for reimbursement.

Travel:
- TMD assessment funds can only reimburse toward the equivalent of coach airfare when use of public air carrier transport is required in order to perform the Contractor’s obligations under this agreement.
- GSA rates for meals & incidentals are at 100% of the rate per night stayed at hotel.
- Please include a copy of the pertinent GSA rates for each area being visited as back-up, as well as the hotel folio
- Please include a copy of the pertinent GSA rates for each area being visited as back-up.
- Conferences require proof of registration and receipt.
- Sales missions require itinerary, location, clients visited, agenda and calendar.
- Mileage reimbursement requests require a mileage log and purpose of trip.

________________________________________  ____________
Signature                                    Date
SDTMD Director Ranking Sheet  
FY2018 Annual Funding Applications  

Original recommendations made by SDTMD Board at March 3, 2017 Board Meeting.  
Updates/Corrections adopted by SDTMD Board at March 29, 2017 Board Meeting.

<table>
<thead>
<tr>
<th>Director’s Name:</th>
<th>Amount Requested</th>
<th>Correction</th>
<th>Recommended Amount</th>
<th>As Corrected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matt Adams</td>
<td></td>
<td></td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Colleen Anderson</td>
<td></td>
<td></td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Richard Barsil</td>
<td></td>
<td></td>
<td>100,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Terry Brown</td>
<td></td>
<td></td>
<td>120,000 (120,000)</td>
<td>-</td>
</tr>
<tr>
<td>Bill Evans</td>
<td></td>
<td></td>
<td>37,500</td>
<td>37,500</td>
</tr>
<tr>
<td>John Gates</td>
<td></td>
<td></td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Matt Greene</td>
<td></td>
<td></td>
<td>29,700</td>
<td>29,700</td>
</tr>
<tr>
<td>Scott Heims</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Tun Ky</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
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</tr>
</tbody>
</table>

**FY'18 PREVIOUSLY APPROVED ITEMS**

- ELITE SOCCER CHAMPIONSHIP - approved Oct '15  
  - Recommended Amount: 60,000  
  - As Corrected: 31,987,785
- EXTREME SAILING - approved Aug '16  
  - Recommended Amount: 40,000
- MASTER GAMES - approved Aug '16  
  - Recommended Amount: 100,000
  - Corrections: 50,000
  - As Corrected: 150,000
- NASC ANNUAL SYMPOSIUM - approved Aug '14  
  - Recommended Amount: 120,000
  - Corrections: (120,000)
  - As Corrected: -
- SDTMD MASTER PLAN - approved Oct '16  
  - Recommended Amount: 37,500
- THANKSGIVING SOCCER - approved Oct '15  
  - Recommended Amount: 50,000
- ULTIMATE FRISBEE - approved Oct '15  
  - Recommended Amount: 29,700
  - Corrections: (29,700)
  - As Corrected: -
- US AUSTRALIAN FOOTBALL - approved Oct '15  
  - Recommended Amount: 29,700
  - Corrections: -
  - As Corrected: 29,700

**S A N D I E G O T O U R I S M A U T H O R I T Y (S D T A )**  
- Recommended Amount: 32,002,993
- As Corrected: 31,987,785

**S D B O W L G A M E A S S O C I A T I O N**  
- Recommended Amount: 450,000
- As Corrected: 300,000

**C A S T A T E G A M E S**  
- Recommended Amount: 150,000
- As Corrected: 150,000

**S D S P O R T S A L I A N C E / S D T A / B R E E D E R S C U P**  
- Recommended Amount: 250,000
- As Corrected: 100,000

**S D C R E W C L A S S I C**  
- Recommended Amount: 74,900
- As Corrected: 74,900

**S A N D I E G O B R E W E R S G U I L D - B E E R W E E K**  
- Recommended Amount: 95,000
- As Corrected: 95,000

**S D B A Y F A I R - T H U N D E R B O A T S**  
- Recommended Amount: 350,000
- As Corrected: 100,000

**F A R M E R S I N S U R A N C E O P E N**  
- Recommended Amount: 71,500
- As Corrected: 50,000

**C A L I F O R N I A P O L I C E A T H L E T I C F E D E R A T I O N**  
- Recommended Amount: 350,000
- As Corrected: -

**C O M P E T I T O R G R O U P R & R M A R A T H O N**  
- Recommended Amount: 2,000,000
- As Corrected: -

**K O Z E V E N T S**  
- Recommended Amount: 350,000
- As Corrected: -

**S D S P I R I T S F E S T**  
- Recommended Amount: 25,000
- As Corrected: -

**M K H R P R O D U C T I O N S / F L A S H B A C K**  
- Recommended Amount: 36,104,393
- As Corrected: 33,784,885

CORRECTED INFO - FY2019 Previously Approved Items

<table>
<thead>
<tr>
<th>Event</th>
<th>Amount</th>
<th>FY</th>
<th>As Corrected</th>
</tr>
</thead>
<tbody>
<tr>
<td>NASC Annual Symposium</td>
<td>$120,000</td>
<td>Aug '14</td>
<td></td>
</tr>
<tr>
<td>Ultimate Frisbee</td>
<td>$29,700</td>
<td>Oct '15</td>
<td></td>
</tr>
</tbody>
</table>
The San Diego Tourism Marketing District (SDTMD) is a city-wide Tourism Business Improvement District encompassing all areas within the City of San Diego.

The SDTMD allows lodging businesses within the City of San Diego to amalgamate their efforts to increase tourism, which in turn increases hotel room night stays and therefore increases transient occupancy taxes (TOT). It enables the businesses to work together to achieve results that would not be possible individually.

Within the SDTMD, lodging businesses with 70 rooms or more are self-assessed, and those dollars are used to fund programs and services to increase room night stays, creating a true economic engine in the City and the region as a whole.

The SDTMD is focused on programs and services that will deliver incremental new room night sales to its assessed members, tourist promotion activities, and funding of special events and programs.

Working together through the SDTMD, the member lodging businesses continue to create strong, measurable results in bringing more visitors to San Diego.
SDTMD GOALS
CHAMPION DESTINATION MARKETING

1. ATTRACT tourism activity
2. INCREASE overnight stays
3. OUTPERFORM competitive markets
4. COMPETE AGGRESSIVELY with major travel markets
5. COLLECT approximately $35 million in assessments annually
There is much to celebrate about the progress the hotel industry has made in the past year—including the City of San Diego collecting Transient Occupancy Tax (TOT) revenues of $203 million in FY 2016, representing an 9.1% increase over the previous year. As the second largest traded economy in the City, we recognize that a healthy tourism marketing district (TMD) helps fuel a vibrant San Diego.

Now as we move forward, let’s use such successes as a viable springboard from which to make further inroads into the competitive business of promoting “America’s Finest City” to the nation and the world. While we have great reason to be optimistic about the days ahead, we must also remain constantly vigilant and innovative in our mission. We realize that our competitors are also working hard and strategically to convince the traveling public that their destination is more compelling than ours. Therefore, a weighted focus is on fabricating new demand over need periods and incremental TOT revenue.

For all of these reasons, we remain dedicated to the foundational goal of the SDTMD that has stood the test of time and continues to guide our work: deploying resources to their best and most efficient use to stimulate demand for overnight hotel stays in the City of San Diego. We speak on behalf of the Board of Directors to underscore the underlying guiding principle of our responsibility, which is to respect and deploy TMD assessment revenue to gain the largest return on investment (ROI) on those dollars.

FY 2016 marked a time of transition in the leadership of the organization with the appointment of a new Board Chairperson and Executive Director. Since the corporation’s inception in 2007, it has been ably and consistently led by two dedicated, hardworking community leaders: Terry Brown as the Chairman of the Board of Directors and Lorin Stewart as the Executive Director. We recognize and salute Terry and Lorin for their work, dedication, and stewardship of the SDTMD, and we aspire to serve with the same commitment and effectiveness as they have done.

Finally, on August 2, 2016, the San Diego City Council approved a resolution to modify the existing Tourism Marketing District. The operating agreement between the City of San Diego and the SDTMD Corporation was extended five years.

We are optimistic but taking nothing for granted as the District nears ten years of operation.

Very sincerely,

William L. Evans
Chairman, FY 2016

Brian Hughes
Executive Director
MARKET ASSESSMENT

After the challenging economic downturn of recent years, the hotel and travel industry in San Diego is again vibrant and thriving. Throughout our City, and most of the nation, our industry is experiencing good economic times — whether you are an owner, a manager, a frontline service provider, or a local government that relies on tax revenue to provide essential community services.

This is a unique climate after the very difficult economic downturn of six or so years ago. The fundamentals of our industry are solid, and ADR is strong.

While we should count on this positive climate and growth, it is increasingly clear that the growth for our hotels is anything but certain. In fact, many hotels are competing with each other as well as with the rising costs of living and the need to invest in new properties.

The Los Angeles/Orange County Threat: The competitive bar rises as new hotel rooms are added in these markets and new theme park attractions are upgraded and added. These continue to woes the growth of San Diego, which is why we must all go “all-in.” Examples include: The Wizarding World of Harry Potter, Star Wars Land, and The Lucas Museum of Narrative Art.

1. Hotel Supply Pipeline: More guestrooms are being added to the hotel supply pipeline than at any point in the past 20 years. Hence, in order to keep existing hotels at historic occupancy highs, we will also need to simultaneously fill newly opened hotels.

2. Reaching Occupancy Potential: We are close to reaching our full potential in occupancy in San Diego, which is generally considered to be approximately 80%. Revenue growth will come through ADR. Peak occupancy levels leave little room for growth. Most growth will come through ADR increases. And therefore, with ADR pushing forward as the only path, efficient, targeted, effective marketing will be paramount in convincing people to pay more to visit San Diego.

3. The Los Angeles/Orange County Threat: The competitive bar rises as new hotel rooms are added in these markets and new theme park attractions are upgraded and added. These continue to woes the growth of San Diego, which is why we must all go “all-in.” Examples include: The Wizarding World of Harry Potter, Star Wars Land, and The Lucas Museum of Narrative Art.

4. Peak occupancy levels leave little room for growth. Most growth will come through ADR increases. And therefore, with ADR pushing forward as the only path, targeted, effective marketing will be paramount in convincing people to pay more to visit San Diego.
TOURISM ECONOMIC IMPACT
FY 2016 SAN DIEGO CITY AND COUNTY

$16.6 BILLION NEW DOLLARS
TOTAL ECONOMIC IMPACT TO SAN DIEGO REGION

183,000 TOURISM-RELATED JOBS

$10.1 BILLION
TOTAL VISITOR SPENDING

$203 MILLION [+9.1% YOY]
TRANSENT OCCUPANCY TAX
COLLECTIONS IN THE CITY OF SAN DIEGO

34.3 MILLION
TOTAL VISITORS
SAN DIEGO COUNTY

9.6 MILLION
HOTEL VISITORS
SAN DIEGO COUNTY

17.2 MILLION
OVERNIGHT VISITORS TO SAN DIEGO
SAN DIEGO COUNTY

78.2%
AVERAGE OCCUPANCY RATE
CITY OF SAN DIEGO

$27.6 MILLION/DAY, $1.2 MILLION/HOUR, $19.2K/MINUTE AND $319/SECOND
TOTAL AVERAGE VISITOR SPENDING

*Source: San Diego Tourism Authority; [http://www.sandiego.org/about/industry-research.aspx](http://www.sandiego.org/about/industry-research.aspx)*
Tourism is the third-largest economic driver in San Diego, generating $16.4 billion in regional economic impact. The industry contributes more than $650 million in transient occupancy taxes, sales taxes, and property taxes to government entities.

**Other salient impact results from FY 2016**

- The City of San Diego collected $203 million in transient occupancy taxes.
- Visitors to the region provide an economic boost that supports more than 183,000 jobs in San Diego County, a 4.62% increase from last year.
- The strong demand for hotel rooms in the City of San Diego reached 78.2%, an increase of 0.08% over last year.
- The average daily room rate increased by 4.11% to $159.21 per night.

**FY 2016 Lodging Performance & Impact**

9.1% **FY 2016**
Increase in TOT collected

<table>
<thead>
<tr>
<th>Year</th>
<th>TOT Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$186 million</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$203 million</td>
</tr>
</tbody>
</table>
By providing marketing and promotional support and funding to a wide variety of organizations and contractors in San Diego, SDTMD helps the City maintain its status as a competitive, first-tier visitor destination with compelling events and programming throughout the year. Funding decisions by the SDTMD Board affecting these competitively selected local organizations has consistently resulted in growth in hotel room nights and revenue that strengthen the vitally important tourism industry in San Diego.

For FY 2016, approximately 90% of SDTMD’s contractor funding was awarded to the San Diego Tourism Authority (SDTA), the City’s Destination Marketing Organization of record. Remaining awarded funds are allocated to a variety of other local organizations that demonstrate a proven or potential promotional track record for inducing incremental overnight stay demand.

All contractors supported by the SDTMD must have clearly defined marketing strategies and activities that complement and enhance San Diego’s tourism brand through unique attractions and events that help fill TMD lodging businesses of all sizes. In addition, they are required to abide by all requirements set forth in the City’s Operating Agreement with the SDTMD.

Contractor Funding Distributions for FY 2016

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority</td>
<td>$27,526,119</td>
</tr>
<tr>
<td>Amgen Tour of California</td>
<td>$100,000</td>
</tr>
<tr>
<td>California State Games</td>
<td>$150,000</td>
</tr>
<tr>
<td>California Police Athletic Federation – Police &amp; Fire Games</td>
<td>$33,785</td>
</tr>
<tr>
<td>Competitor Group – Rock’n’Roll Marathon</td>
<td>$253,184</td>
</tr>
<tr>
<td>San Diego Brewers Guild – Beer Week</td>
<td>$73,168</td>
</tr>
<tr>
<td>Century Club of San Diego – Farmers Insurance Open</td>
<td>$190,299</td>
</tr>
<tr>
<td>Gaslamp Quarter Historical Foundation</td>
<td>$5,000</td>
</tr>
<tr>
<td>KOZ Events</td>
<td>$29,195</td>
</tr>
<tr>
<td>LGBT Pride</td>
<td>$17,114</td>
</tr>
<tr>
<td>San Diego Padres – Fanfest / MLB All-Star Game</td>
<td>$400,000</td>
</tr>
<tr>
<td>San Diego Bayfair Boat Races</td>
<td>$95,000</td>
</tr>
<tr>
<td>San Diego Bowl Game Association</td>
<td>$450,000</td>
</tr>
<tr>
<td>San Diego Crew Classic</td>
<td>$121,300</td>
</tr>
<tr>
<td>Surf Cup</td>
<td>$20,000</td>
</tr>
<tr>
<td>World Beach Games</td>
<td>$393,860</td>
</tr>
<tr>
<td><strong>Total Reimbursed FY 2016</strong></td>
<td><strong>$29,878,224</strong></td>
</tr>
</tbody>
</table>
The San Diego Tourism Authority (SDTA) is the primary sales and marketing engine for the San Diego region. As a sales and marketing organization, the main objective of the SDTA is to promote and market San Diego as a preferred vacation and meeting destination for leisure and business travelers from around the world.

Incorporated in 1954, SDTA is a private not-for-profit 501(C)(6) organization governed by a 30-member board of directors. The SDTA is nimble in the marketplace, and as market conditions shift, programs are updated in order to best capitalize on opportunities and maximize ROI.

Investment of marketing funds from SDTMD has helped fuel SDTA efforts to promote San Diego as a diverse tourism market appealing to leisure and group travelers, and domestic and international visitors.

### Sales Highlights
- Booked 36,8979 new group room nights
- Booked 1,092,889 citywide room nights and 73 citywide conventions for the destination
- Hosted 259 customers throughout the year and conducted 975 site visits of various hotels
- Site inspection conversion rate reached 93% in FY 2016, resulting in the booking of 178,128 new group room nights for San Diego
- Held 23 customer events with a total of 795 new clients for San Diego in attendance
- Attended 66 trade shows throughout the year that generated 257 leads representing 282,002 new room nights for San Diego

### Marketing Highlights
- Generated more than 1.3 billion paid advertising gross impressions nationally and internationally through campaigns that utilized TV, digital, out-of-home, and print mediums
- Generated $30.9 million in public relations unpaid media value
- Generated 93 million visitor inquiries as a result of all marketing efforts

### 21.2:1 ROI

<table>
<thead>
<tr>
<th>FY 2016 Funding Amount</th>
<th>$27,526,119</th>
</tr>
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<tbody>
<tr>
<td>Hotel Room Nights</td>
<td>3,777,429</td>
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<tr>
<td>x Average Daily Rate</td>
<td>$154.78</td>
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<tr>
<td>Total Room Night Revenue</td>
<td>$584,670,461</td>
</tr>
</tbody>
</table>

* Source: [https://www.sandiego.org/about.aspx](https://www.sandiego.org/about.aspx)
Program Highlights

KIDS FREE SAN DIEGO

The highly successful Kids Free San Diego campaign to the Los Angeles and Phoenix markets was continued during the month of October. The promotion was supported by over 115 partners and drew more than 242,000 unique visitors to sandiego.org. Hotel room demand for the month increased 4.2% and the average daily rate was up 7.2% over the previous year. Kids Free was followed by the launch of a fall brand advertising campaign in the Western United States. Investment in both campaigns was more than $2.1 million and generated more than 189 million impressions over the fall and winter period.

SUMMER TRAVEL SEASON

To capture travel during peak spring and summer travel seasons, an $8.3 million investment was made in the key markets of Los Angeles, Phoenix, San Francisco, Seattle, San Diego, and D.C. The “Happiness Is Calling” campaign ran on spot TV, with digital, social, print, and out-of-home media to support the campaign. The campaign ran from late June to late August and reached more than 56.2 million gross impressions.

SOCIAL MEDIA

The social media marketing layers included highly focused campaigns and live video within Facebook, Instagram, and YouTube. These digital platforms alone generated more than 2 million visitor inquiries.

INDUSTRY AWARDS

The “Happiness Is Calling” campaign was recognized with two prestigious awards, the Poppy Award from Visit California and the Destination Award from US Travel Association. Additionally, the SSTA received the Distinctive Achievement Award from Association Conventions & Facilities Magazine.

NATIONAL GEOGRAPHIC

In November 2015, National Geographic Traveler Magazine selected San Diego/Tijuana as one of 20 “Best of the Best” destinations. “The Best of the World list reflects the travel expertise and global knowledge of National Geographic,” said features editor Amy Alipio. “The destinations represent what’s superlative, timely, and really authentic in the world of travel.”

SUB-REGION CAMPAIGN

Luxury and value print, digital and TV advertising campaigns promoting sub-region product and experiences were delivered more than 56 million gross impressions, print and social media. The campaign reached 135 million unique users generating more than $106 million in unpaid media value.

NEW GROUP SALES

The SDTA continued to focus on booking new group business and continues to have booked more than 26,000 unique visitors to sandiego.org. Hotel room demand for the month increased 4.2%. The Marketing team hosted a potential client event in San Diego in conjunction with the SSTA Annual Meeting. The team followed up with the 20 potential clients, and they have scheduled the San Diego meeting experience.

The Meetings Certified training programs continue to focus on booking new group business and organizations not having booked in the last five years, with a goal to book $2 million in new group room nights for TMD hotels. To support that effort, the SSTA’s “San Diego – A Smart City” programs were held around the US for 250 clients, who had not potential group business for San Diego.

Building on the momentum from the successful Kids Free San Diego campaign, the team opened the San Diego meeting experience to corporate and incentive groups and 20 dedicated sub-region media promotions generated more than $838K in unpaid media value.

Capitalizing on signature events, the team hosted 24 potential clients, and combined with the All-Star Game and 23 potential customers, the team has completed this program.

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Working with CONNECT Media, a customer acquisition plan was executed using sub-regional deliverables. Quarterly sub-region media promotions generated more than $106 million in unpaid media value.

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Working with CONNECT Media, a customer acquisition plan was executed using sub-regional deliverables. Quarterly sub-region media promotions generated more than $106 million in unpaid media value.
The California State Games is a multi-sport, Olympic style series of events that took place in July, February, and March 2016 in San Diego. Ranging from archery to taekwondo in the summer and hockey and skating in the winter, the events took place at dozens of locations during the weekend.

**CALIFORNIA STATE GAMES & WINTER GAMES**

**Highlights**

- The events connected to the California State Games bring tens of thousands of families, spectators, and players to San Diego during both the summer and winter months.
- Over 10,000 athletes participated in the winter and summer California State Games, each bringing a median of four family and friends.
- The opening ceremonies for the Summer Games are the most attended with some 20,000 athletes and family members.
- The Summer Games included greater participation from San Francisco teams including soccer and track as a result of marketing efforts.

**ROI**

- FY 2016 Funding Amount: $150,000
- Hotel Room Nights: 23,723
- x Average Daily Rate: $156.93*
- = Total Room Night Revenue: $3,722,850

*Combined average of summer and winter events

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The first California Police Olympics were held in San Diego, California in 1967, and were founded by San Diego Police Lieutenant Veon “Duke” Nyhus who recognized the need to promote physical fitness and camaraderie among members of the law enforcement community. After inclusion of firefighters in 2000, and the addition of several western states into the competition, the name changed to the Western States Police and Fire Games. Since 2012, the Games have been known as the United States Police and Fire Championships.

**POLICE & FIRE GAMES**

**Highlights**

- The number of athletes competing in 2016 increased 19% from previous years, with out-of-state attendees increasing by 137%.
- The Games held the Inaugural Chiefs, Sheriffs, and Special Agents in Charge (SAC) Bean Bag Toss Tournament; Sheriff Bill Gore challenged Chiefs around the nation to a bean bag toss competition; Chiefs attended representing 17 Agencies across the nation.
- A direct mail piece was sent to all previous competitors. Some competitors don’t use email, so this was a unique opportunity to reconnect with athletes from years past.
- More than 3,000 medals in more than 5,000 divisions, age classes, and weight categories were awarded in 2016.

**ROI**

- FY 2016 Funding Amount: $53,785
- Hotel Room Nights: 8,718
- x Average Daily Rate: $140.86
- = Total Room Night Revenue: $1,228,017
COMPETITOR GROUP
ROCK’N’ROLL MARATHON

Competitor Group is a media and event organization which hosts the Suja Rock ‘n’ Roll Marathon which took place on Sunday June 5, 2016. The event includes a full marathon, a half marathon, live local bands, a headliner concert, and a health and fitness expo. The race originated in San Diego in 1998 and has spread to over 25 locations across the US and Europe.

Highlights

- There were over 33,000 race participants from 50 states and 42 countries as reported by Competitor Group
- This was the largest marathon crowd since 2011
- Beautiful new finish venues were created at Waterfront Park and a new course was created through Mission Hills with new parts of North Park
- New and creative online media was produced that highlighted both the event and San Diego

12.0:1 ROI

FY 2016 Funding Amount $253,184
Hotel Room Nights 16,502
Average Daily Rate $184.32
Total Room Night Revenue $3,041,648

SAN DIEGO BREWERS GUILD
BEER WEEK

San Diego Beer Week (SDBW) has become the premier, extended craft beer festival. Over 600 events helped to promote San Diego’s thriving craft beer culture. The November 2015 celebration included some 60 breweries who participated in beer dinners, tours, classes, bottle tastings, and a variety of festivals.

Highlights

- For the first time ever, our San Diego City Council officially declared November 5 through 15, 2015 as San Diego Beer Week in the City of San Diego, marking the 10-day “week” and ensuring its place in San Diego history
- The San Diego Brewers Guild Festival sold out for the second year in a row with over 4,000 attendees from 28 states and 8 countries including Great Britain, Finland, and Brazil
- The social media presence of Beer Week improved with Facebook fans increasing some 1,000 and Twitter fans increasing over 1,800
- In addition to listing all SDTMD hotels on SDBW.org Lodging Page, Beer Week partnered with 21 hotels to offer SDBW lodging packages
- Beer Week secured some 100,000,000 media impressions through TV, radio, print, online features, blogs, and podcasts

3.5:1 ROI

FY 2016 Funding Amount $73,168
Hotel Room Nights 1,397
Average Daily Rate $185.23
Total Room Night Revenue $258,766
CENTURY CLUB OF SAN DIEGO
FARMERS INSURANCE OPEN

Century Club of San Diego has been engaged in charitable efforts since 1961. The goal of the organization is to promote the Farmers Insurance Open golf tournament in addition to the City of San Diego. To date, almost $30 million has been generated for noble causes in San Diego.

Highlights
- Over 50,000 spectators attended this year’s Farmers Insurance Open. Approximately half of those attendees were non-locals.
- A concerted marketing effort was made to promote Thursday as the kick-off day essentially creating a four-day event.
- The entire event was expanded this year with new groups spaces, expanded concert venues, larger viewing areas, and a new Surf Club venue.
- Targeted promotion using Facebook ads was part of the 2016 marketing campaign and was found to be one of the most successful platforms in terms of ROI.

KOZ EVENTS

KOZ Events is a full-service special events company providing race management in San Diego County specializing in multi-sport events including: triathlon, duathlon, aquabike, run, walk, and cycling. KOZ Events held three special sporting events during FY 2016, including The Xterra Mission Bay Triathlon, The Campagnolo GranFondo San Diego, and the Spring Sprint Triathlon.

Highlights
- 2,269,123 Facebook impression were received across all events.
- The Campagnolo GranFondo was advertised nationally and internationally in printed magazine ads in three different magazines and promoted to all of California, Arizona and Nevada’s main bicycle shops.
- The Spring Sprint was advertised nationally in LAVA Magazine.
- The Xterra Mission Bay Triathlon and the Spring Sprint Triathlon were USAT Sanctioned for the first time to attract more participants from outside of San Diego.

29.7:1 ROI
FY 2016 Funding Amount $190,299
Hotel Room Nights 32,282
x Average Daily Rate $175.35
= Total Room Night Revenue $5,660,648

16:7 ROI
FY 2016 Funding Amount $29,195
Hotel Room Nights 2,804*
x Average Daily Rate $174.20
= Total Room Night Revenue $488,457

*Combined average of all three events.
SAN DIEGO PRIDE
OUT AT THE PARK
San Diego Pride is an organization whose mission is to foster pride in and respect for all lesbian, gay, bisexual, and transgender communities, locally, nationally, and globally. OUT at the Park was an event held in May 2016 at Petco Park when the San Diego Padres played the Los Angeles Dodgers.

Highlights
- 40% of the tickets sold for the event were sold to visitors from other cities in California, other states, Mexico, and Canada. Ticket buyers came from as far as Winnipeg, Canada and from states including Hawaii, Virginia, New Jersey, Pennsylvania, and Texas.
- The San Diego Pride Facebook event page reached 34,000 people, and our targeted out-of-town social media ad buys reached 482,000 users.
- The Out at the Park & Stonewall Athlete Awards webpage had 16,000 page views and the Stonewall Athlete Awards received over 40 nominations and more than 700 unique votes.

FY 2016 Funding Amount $17,114
Hotel Room Nights 396
x Average Daily Rate $140.00
= Total Room Night Revenue $55,440

*The results presented here may not accurately reflect the impact of the Pride event. The tragedy at Pulse Nightclub in Orlando occurred just days after their event when participants would normally be surveyed. The response rate was understandably lower than normal, and may negatively skew the results.

SAN DIEGO PADRES
FANFEST
All-Star FanFest is the single most attended event as part of MLB’s All-Star Game and related activities. 400,000 people attended the 2016 All-Star activities between July 8 and July 12, 2016.

Highlights
- The San Diego Padres report that over 117,000 attendees enjoyed FanFest in 2016.
- FanFest and All-Star related activities including the game garnered some 21.3 million spectators which was telecast on FOX.
- The 2016 game was the most watched All-Star Game ever in Canada where 3.15 million people watched.
- Over 80 million video views of All-Star Game content on MLB’s digital platforms which is a 50% increase.

FY 2016 Funding Amount $400,000
Hotel Room Nights 14,805
x Average Daily Rate $200.12
= Total Room Night Revenue $2,962,777

7.4:1* ROI
3.2:1* ROI
SAN DIEGO BAYFAIR
THUNDERBOATS
San Diego Bayfair is a three-day festival held in Mission Bay Park with powerboat racing as its centerpiece. Bayfair had 83 teams compete on Mission Bay from September 18-20, 2015. Many of the teams participating come from Arizona, Indiana, and Washington. The event is family oriented offering live music, beer gardens, kids' activities, food booths, and a variety of other attractions.

Highlights
- Coverage of a boat flip on “Good Morning America” and the “Today Show” with an estimated 10 million impressions
- 20% increase in the number of race teams participating (a team has four to 10 members)
- Live music was moved within the paid venue and took place in the afternoon and evening
- H1 Unlimited, the main draw for Bayfair, decided its national championship in San Diego with Jimmy Shane capturing the Bill Muncey Cup
- Fox Sports 1 filmed and aired profile on racer Jimmy Shane

SAN DIEGO BOWL GAME ASSOCIATION
The San Diego Bowl Game Association hosts both the Holiday and Poinsettia Bowls each year. The Holiday Bowl is a San Diego institution consistently drawing over 50,000 spectators each year. A significant number of these spectators are non-locals who come to San Diego specifically to attend the game. The Poinsettia Bowl is the newer of the bowl games, but has slowly gained popularity over the last several years.

Highlights
- The San Diego Bowl Games have generated an average of 33,000 hotel room nights in the month of December for the past five years
- Expanded marketing efforts included partnering with schools and an aggressive digital and media outreach campaign
- Since 1978, resulting economic impact on San Diego has totaled over $750 million
- Millions of households see San Diego in December as a result of game coverage by ESPN for both the games and the parade. This media exposure showcases San Diego as a destination while much of the country is experiencing Winter conditions

29.5:1 ROI
FY 2016 Funding Amount $95,000
Hotel Room Nights 15,911
x Average Daily Rate $175.84
= Total Room Night Revenue $2,797,790

6.3:1 ROI
FY 2016 Funding Amount $450,000
Hotel Room Nights 22,025
x Average Daily Rate $128.43*
= Total Room Night Revenue $2,828,670
* Combined average of both events
SAN DIEGO CREW CLASSIC

After 43 years, the San Diego Crew Classic is viewed as the premier Spring rowing event. Some 35 events took place with 4,500 athletes participating in over 120 races along the shores of Mission Bay Park. The event includes retail kiosks, a variety of foods, and a Jumbotron viewing area as its center point.

Highlights

• Some 129 local, national, and international clubs participated in this year’s event.
• The Crew Classic generated significant attention to San Diego through 54,000 live streaming views of the race, 49,000 site visits to the web page and four million hits on their sponsor’s web banner.
• The third annual ROWK event took place in 2016 which includes 1k kayak racing against a four person rowing shell.
• The second annual Crews to College event took place where junior rowers and their families met with college admission counselors.

10.7:1 ROI

FY 2016 Funding Amount $121,501
Hotel Room Nights 7,720
x Average Daily Rate $167.79*
= Total Room Night Revenue $1,295,338

*Actual Reimbursement

SURF CUP THANKSGIVING SOCCER CHALLENGE

San Diego Surf Cup is the premier youth soccer club established in 1980 and headquartered in San Diego, California. Their mission is to build competitive soccer players with superior soccer skills, teamwork, and sportsmanship to compete at the highest levels of the sport. The Surf Thanksgiving Challenge is played each November in North San Diego.

Highlights

• The College Cup event was moved to the Oceanside facility and brought an additional 308 teams to San Diego for the Surf Thanksgiving event.
• Some 166 of the 308 teams came from a distance of greater than 100 miles resulting in additional room nights.
• Surf Cup marketed directly to East Coast teams, increasing the East Coast travel teams from 14 to 36.
• The number of college coaches attending this year was at an all-time high of 475.
• This year’s event also drew two international clubs (Guatemala and Philippines) which brought another four teams each and added to the overall event impact.

43.1:1 ROI

FY 2016 Funding Amount $20,000
Hotel Room Nights 5,483
x Average Daily Rate $157.38
= Total Room Night Revenue $862,914

OTHER EVENTS

WORLD BEACH GAMES 2019 $393,860

Funding was awarded to the San Diego Tourism Authority to support San Diego’s bid to host the first World Beach Games, sanctioned by the Association of National Olympic Committees World Games (ANOC). The event is planned for the Summer of 2019. The bid was successful. 6,000 athletes from 204 countries are expected to compete in a total of 26 beach and water sports over a twelve-day period with a projected total audience of 1.2M people. The ROI study will be conducted when the event occurs.

AMGEN TOUR OF CALIFORNIA $100,000

The Amgen Tour of California is a Tour de France-style cycling road race that challenges the world’s top professional cycling teams to compete along a demanding course that traverses hundreds of miles of California’s iconic highways, byways and coastlines each spring. In May 2016, the race began in San Diego. Amgen used TMD funding to promote the races with advertising to racers and their families to come to San Diego to see the kick-off of the race. This was a sponsorship relationship through the San Diego Tourism Authority.

GASLAMP QUARTER HISTORICAL FOUNDATION $5,000

The SDTMD awarded $5,000 to sponsor the ShamROCK Downtown St. Patrick’s Day Street Party. The funding was used to advertise the event in Orange County, Los Angeles and San Francisco.
### Statements of Financial Position

**For the Years Ended June 30, 2016, 2015, and 2014**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,131,041</td>
<td>$7,434,971</td>
<td>$7,557,879</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>13,930,761</td>
<td>11,301,675</td>
<td>8,814,421</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>93,991</td>
<td>100,226</td>
<td>261,434</td>
</tr>
<tr>
<td>Accrued interest income</td>
<td>693,852</td>
<td>685,500</td>
<td>679,725</td>
</tr>
<tr>
<td>Advances to contractors</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>17,849,645</td>
<td>21,522,372</td>
<td>19,313,459</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>1,362</td>
<td>1,362</td>
<td>1,362</td>
</tr>
<tr>
<td>City holdbacks</td>
<td>19,500,000</td>
<td>12,282,177</td>
<td>5,732,416</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td>19,501,362</td>
<td>12,283,539</td>
<td>5,733,778</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$27,351,007</td>
<td>$33,805,911</td>
<td>$25,047,237</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$6,965,921</td>
<td>$6,953,691</td>
<td>$4,962,821</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>171</td>
<td>8,856</td>
<td>7,583</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>9,672,183</td>
<td>13,636,075</td>
<td>13,319,625</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>16,638,275</td>
<td>20,598,622</td>
<td>18,290,029</td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>-</td>
<td>282,177</td>
<td>232,416</td>
</tr>
<tr>
<td>Indemnification reserve</td>
<td>19,500,000</td>
<td>12,000,000</td>
<td>5,500,000</td>
</tr>
<tr>
<td><strong>Total long-term debt</strong></td>
<td>19,500,000</td>
<td>12,282,177</td>
<td>5,732,416</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>36,138,275</td>
<td>32,880,799</td>
<td>24,022,445</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,212,732</td>
<td>925,112</td>
<td>1,024,792</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>1,212,732</td>
<td>925,112</td>
<td>1,024,792</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$37,351,007</td>
<td>$33,805,911</td>
<td>$25,047,237</td>
</tr>
</tbody>
</table>

### Statements of Activities

**For the Years Ended June 30, 2016, 2015, and 2014**

<table>
<thead>
<tr>
<th>Revenue and support</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Marketing District revenue</td>
<td>$33,005,359</td>
<td>$26,918,042</td>
<td>$18,885,223</td>
</tr>
<tr>
<td>Other income</td>
<td>7,900</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>279,720</td>
<td>151,619</td>
<td>74,616</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>33,292,979</td>
<td>27,072,161</td>
<td>18,959,839</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocations to contractors</td>
<td>29,878,224</td>
<td>24,299,828</td>
<td>17,693,459</td>
</tr>
<tr>
<td>Tourism Development</td>
<td>700,000</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total program expenses</strong></td>
<td>30,578,224</td>
<td>24,799,828</td>
<td>17,693,459</td>
</tr>
<tr>
<td><strong>Support services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SDTMD operations</td>
<td>1,999,909</td>
<td>1,970,912</td>
<td>1,048,206</td>
</tr>
<tr>
<td>Administrative fee to the City of San Diego</td>
<td>427,226</td>
<td>401,101</td>
<td>332,905</td>
</tr>
<tr>
<td>Start-up costs - contract renewal</td>
<td>-</td>
<td>-</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>Total support services expenses</strong></td>
<td>2,427,135</td>
<td>2,372,013</td>
<td>1,441,111</td>
</tr>
<tr>
<td><strong>Increase (decrease) in unrestricted net assets</strong></td>
<td>287,620</td>
<td>(99,680)</td>
<td>(174,731)</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>925,112</td>
<td>1,024,792</td>
<td>1,199,523</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$1,212,732</td>
<td>$925,112</td>
<td>$1,024,792</td>
</tr>
</tbody>
</table>

*Further detail on the SDTMD Corporation’s audited FY 2014, FY 2015, and FY 2016 financials can be obtained from our website at sdtmd.org/reports*
William L. Evans, Chairman
Partner, Evans Hotels

Scott Hermes, Vice Chairman
General Manager, The Westin San Diego Gaslamp Quarter

Matt Greene, Secretary
General Manager, Hard Rock Hotel San Diego

Colleen Anderson, Treasurer
General Manager, Omni San Diego Hotel

Matt Adams
Area Vice President, Manchester Grand Hyatt San Diego

Richard Bartell
President, Bartell Hotels

C. Terry Brown
President, Atlas Hotels

John Gates
Vice President of Operations, Pinnacle Hotels USA

Tuni Kyi
Marriott International
Establishedment
Established by Resolution R-307843, date of final passage November 27, 2012 with District effective from January 1, 2013 through June 30, 2052 (a term of 39 ½ years) District and Plan modified by Resolution R-310664, effective September 1, 2016.

Agreement between City and SDTMD
Approved by Resolution R-310731; effective November 1, 2016 through October 31, 2021; superseding previous Agreement and Amendments.
Previous Resolutions: R-307844 Effective Nov 26, 2012 through Nov 25, 2017 [Agreement] R-308065 (Dated Apr 23, 2013) [First Amendment] R-308588 (Dated Dec 9, 2013) [Second Amendment] R-310482 (Dated Jun 1, 2016) [Third Amendment]

Advisory Board: San Diego Tourism Marketing District (SDTMD) 8880 Rio San Diego Drive, Suite 800 San Diego, CA 92108 (619) 209-6108 www.sdtmd.org

Assessment Methodology: All assessment rates are based on the privileges directly conferred and specific benefit directly received by assessed businesses from the activities provided within each category and is levied on “Assessable Rent” which is based on gross room rental revenue less exempt revenues, of those benefitting businesses.

Annual Assessment Rates:

Part I (July 1 - October 31, 2016)
Benefit Category A Rate: 1.45% & Benefit Category B Rate: 0.55% of Assessable Rent; such that, lodging businesses with 30 or more rooms assessed at a total rate of 2% (Category A + Category B). Lodging businesses with 29 or fewer rooms assessed at a total rate of 0.55% (Category B only).

Part II (November 1, 2016 – February 28, 2017)
Applied to Assessable Rent of qualifying lodging businesses. Lodging businesses with 70 or more rooms assessed at a total rate of 2%
## FY 2017 TMD Budget Summary

Pursuant to San Diego Tourism Marketing District Management Plan

### Available Tourism Marketing District (TMD) Funds for FY 2017:

<table>
<thead>
<tr>
<th></th>
<th>FY17 – Part I</th>
<th>FY17 – Part II</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Assessments</td>
<td>$11,518,381</td>
<td>25,101,953</td>
<td>$36,620,334</td>
</tr>
<tr>
<td>Projected Interest</td>
<td>80,000</td>
<td>160,000</td>
<td>240,000</td>
</tr>
<tr>
<td>FY 2016 Carryover</td>
<td>28,871,451</td>
<td>----</td>
<td>28,871,451</td>
</tr>
<tr>
<td>Utilization of Original district funds</td>
<td></td>
<td>1,080,000</td>
<td>1,080,000</td>
</tr>
<tr>
<td>Total FY 2017 Funds Available</td>
<td>$40,469,832</td>
<td>$26,341,953</td>
<td>$66,811,785</td>
</tr>
</tbody>
</table>

### Expenditures for FY 2017:

<table>
<thead>
<tr>
<th></th>
<th>FY17 – Part I</th>
<th>FY17 – Part II</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocations *</td>
<td>$10,313,886</td>
<td>$21,275,761</td>
<td>$31,589,647</td>
</tr>
<tr>
<td>SDTMD Master plan</td>
<td>59,900</td>
<td>150,000</td>
<td>209,900</td>
</tr>
<tr>
<td>Administration</td>
<td>1,458,164</td>
<td>1,495,466</td>
<td>2,953,630</td>
</tr>
<tr>
<td>Total FY 2017 Projected Expenditures</td>
<td>11,831,950</td>
<td>22,921,227</td>
<td>34,753,177</td>
</tr>
</tbody>
</table>

### Reserve Allocations for FY 2017:

<table>
<thead>
<tr>
<th></th>
<th>FY17 – Part I</th>
<th>FY17 – Part II</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation reserve</td>
<td>28,637,882</td>
<td>362,118</td>
<td>29,000,000</td>
</tr>
<tr>
<td>Opportunity/Catastrophe</td>
<td>--</td>
<td>1,249,763</td>
<td>1,249,763</td>
</tr>
<tr>
<td>Distributable funds carryover</td>
<td>--</td>
<td>1,808,845</td>
<td>1,808,845</td>
</tr>
<tr>
<td>Total FY 2017 Projected Reserves</td>
<td>28,637,882</td>
<td>3,420,726</td>
<td>32,058,608</td>
</tr>
<tr>
<td>Total Expenditures and reserves</td>
<td>$40,469,832</td>
<td>$26,341,953</td>
<td>$66,811,785</td>
</tr>
</tbody>
</table>

### Specific FY 2017 Allocations:

<table>
<thead>
<tr>
<th></th>
<th>FY17 – Part I</th>
<th>FY17 – Part II</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority</td>
<td>$10,045,871</td>
<td>$20,481,620</td>
<td>$30,527,491</td>
</tr>
<tr>
<td>CA State Games - Master Games</td>
<td>50,000</td>
<td>100,000</td>
<td>150,000</td>
</tr>
<tr>
<td>SD Brewer’s Guild – Beer Week</td>
<td>63,586</td>
<td>--</td>
<td>63,586</td>
</tr>
<tr>
<td>California State Games</td>
<td>150,000</td>
<td>--</td>
<td>150,000</td>
</tr>
<tr>
<td>SD Crew Classic</td>
<td>4,429</td>
<td>194,141</td>
<td>198,570</td>
</tr>
<tr>
<td>Amgen</td>
<td>--</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>SD Bowl Game Association</td>
<td>--</td>
<td>450,000</td>
<td>450,000</td>
</tr>
<tr>
<td></td>
<td>$10,313,886</td>
<td>$21,275,761</td>
<td>$31,589,647</td>
</tr>
</tbody>
</table>
FY 2017 Funding ROI and Ranking Detail

NOTE: As of submittal date, only Q1 and Q2 ROI reports have been received
(Q3 ROI reports are due on May 31, 2017)

a. San Diego Tourism Authority (SDTA): $30,527,491
   i. Score Ranking:
      - Directors’ Aggregate Score: #1 of 16
   ii. Return on Investment (ROI)-projected:
      - 3,777,000 total hotel room nights
      - $643,411,950 @ $170.35
      - 21.1:1
   iii. Actual FY 2017 ROI Q1 & Q2:
      - Campaigns run through Q4 of FY 2017
      - Citywide Group Sales @ 84% to FYTD goal (79% STLY)
      - Hotel Sales Division @ 115% to FYTD goal (106% STLY)

b. S.D. Bowl Game Association Holiday & Poinsettia Bowls: $450,000
   i. Score Ranking:
      - Directors’ Aggregate Score: #2 of 16
   ii. Return on Investment (ROI)-projected:
      - 34,478 total hotel room nights
      - $4,826,920 @ $140.00 ADR
      - 10.7:1
   iii. Actual FY 2017 ROI:
      - 26,219 total hotel room nights
      - $3,665,416 @ $139.80 ADR
      - 8.2:1

c. Craft Brewers Guild SD Beer Week: $63,586
   i. Score Ranking:
      - Directors’ Aggregate Score: #3 of 16
   ii. Return on Investment (ROI)-projected:
      - 7,900 total hotel room nights
      - $1,256,811 @ $159.09 ADR
      - 19.8:1
   iii. Actual FY 2017 ROI Q1 & Q2:
      - 984 total hotel room nights
      - $159,132 @ $161.72 ADR
      - 2.5:1
d. California State Games & Winter Games: $150,000
   i. Score Ranking:
      • Directors’ Aggregate Score: #4 of 15
   ii. Return on Investment (ROI)-projected:
      • 17,500 total hotel room nights
      • $2,450,000 @ $140.00 ADR
      • 16:3
   iii. Actual FY 2017 ROI Q1 & Q2:
      • The Winter Games portion of the events are held in Q3 FY 2017 so total results will be reported at fiscal year-end.

e. SD Crew Classic: $198,570
   i. Score Ranking:
      • Directors’ Aggregate Score: #5 of 15
   ii. Return on Investment (ROI)-projected:
      • 10,500 total hotel room nights
      • $1,743,525 @ $166.05 ADR
      • 8.8:1
   iii. Actual FY 2017 ROI Q1 & Q2:
      • This program occurs in Q4 FY 17

f. Amgen – Tour of California: $50,000
   i. Score Ranking:
      • This was a supplemental funding request approved by the Board of Directors on October 28, 2016
   ii. Return on Investment (ROI)-projected:
      • While the race will be held May 11-20, 2017, it will not have a San Diego leg. Therefore, no direct ROI is projected in FY17. The purpose of this funding is to sustain the local organizing committee through to a San Diego event in FY18 or FY19
g. California State Games – USA Masters Games: $150,000

i. Score Ranking:
   • This was a supplemental funding request approved by the Board of Directors on October 28, 2016

ii. Return on Investment (ROI)-projected:
   • The first USA Masters Games will be held in FY2018, July 12-16, 2017. The objective is to secure a multi-year commitment for San Diego as the host. As such, on August 26, 2016 the Board approved a total of $400,000 over the next three years: $150,000 FY2017, $150,000 FY2018 and $100,000 FY2019. The projected ROI on the $400,000 investment is 11.8:1