sdtmd
SAN DIEGO TOURISM MARKETING DISTRICT

San Diego Tourism Marketing District

Report of Activities for FY2023

May 18, 2022

Table of Contents

Introduction ..... **Page 3**

Quick Facts ..... **Page 4**

Budget Summary ..... **Page 5**

Allocations ..... **Page 6**

San Diego Tourism Authority Category Budget Summary ..... **Page 7**

San Diego Tourism Authority Program of Work ..... **Page 8**

TMD Funding - Competitive Targeting Programs of Work and Funding ..... **Page 23**

San Diego Tourism Authority
San Diego Bowl Game Assoc./Sports San Diego
Thunderboats Unlimited/San Diego Bayfair
Californial Police Athletic Federation
California State Games – Summer Games
World Lacrosse Championships
San Diego Bay Wine & Food Festival
San Diego Bowl Game Assoc./Holiday Bowl
San Diego Crew Classic
Wonderfront Festival
Old Town Chamber of Commerce
California State Games – Winter Games
Maverick Sports – Surf College Cup
San Diego Diplomacy Council
Ecotrek/Zero Emissions Summit
Maverick Sports – Surf Cup Challenge
Legit Rare Football
Access Youth Academy

Administration ..... **Page 40**

Opportunity & Catastrophe Reserve ..... **Page 41**

Attachments

1. San Diego Tourism Marketing District Corporation (4 pages) ..... Page 43
2. Management Plan Highlights (4 pages) ..... Page 48
3. Funding Cycle for FY2023 (1 page) ..... Page 53
4. Key Elements of the Application Guidelines and Requirements for FY2023 (4 pages) Page 55
5. Sample Application for FY2023 (11 pages) ..... Page 60
6. FY2023 SDTMD Corp. Directors Ranking of Applications Summary (1 page) ..... Page 72
7. SDTMD Corp. Annual Report – FY2021 (16 pages) ..... Page 74
8. FY2022 Interim Report of Activities Summary (7 pages) ..... Page 91

Introduction

About the San Diego Tourism Marketing District

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 FY2023 Report of Activities reflects the recommended allocations of assessments for FY2023; July 1, 2022 through June 30, 2023.

Quick Facts

San Diego Tourism Marketing District:
Renewed by Resolution: R-307843 (November 27, 2012) effective January 1, 2013.
Modified by Resolution R-310664 (August 3, 2016) effective September 1, 2016
District ends June 30, 2052

Agreement between City and TMD Management Corporation:
Agreement effective July 1, 2020 through June 30, 2030 approved by Ordinance No. O-21202.

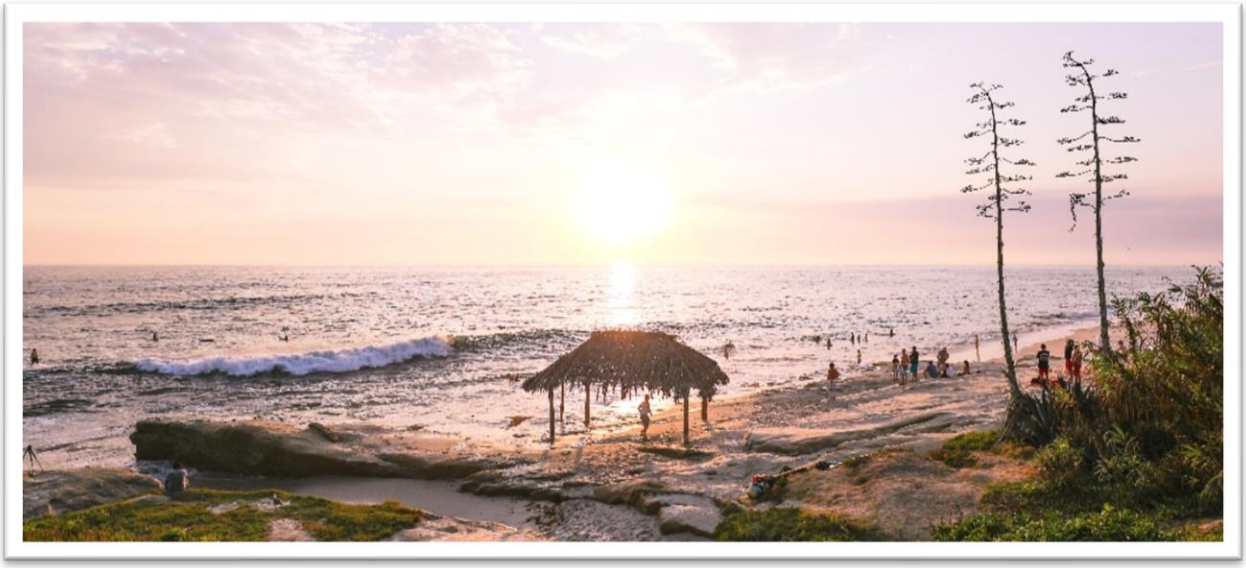
Advisory Board and Contracted TMD Management Corporation:
San Diego Tourism Marketing District (SDTMD)
750 B Street, Suite 1500, San Diego, CA 92101
(619) 557-2854 www.sdtmd.org

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. Only those lodging businesses with 70 or more rooms are assessed.

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

FY2023 Budget Total
Allocations of Estimated Tourism Marketing District (TMD) Funds: **$57,272,419**



Budget Summary

CALCULATION OF AVAILABLE TOURISM MARKETING DISTRICT FUNDS FOR FY2023

Projected Assessments	$ 39,504,023
Projected carryover –prior years	17,718,396
Projected Interest and Penalties	50,000
Contributions from Other Sources of Funding:	0
Total FY2023 Funds Available	**$ 57,272,419**

PROPOSED ACTIVITIES FOR FY2023
(Pursuant to San Diego Tourism Marketing District Management Plan August 2016)

Targeted Marketing and Sales Programs	$ 16,951,755
Destination Marketing	20,678,829
Sub-Total Sales and Marketing	**$ 37,630,584**
SDTMD Administration & Operations	$ 2,019,796
City Administration	$ 289,630
Sub-Total Administration	**$ 2,309,426**
Opportunity/Catastrophe Reserve	**$ 17,332,409**
Total	**$ 57,272,419**

FY2023 Allocations

The FY2023 recommended allocations to other entities total $37,630,584.

In March 2022, submitted applications were reviewed, ranked, and allocations recommended. Ranking factors will include time of year, new versus existing rooms, and potential for growth. In April 2022 additional allocations were approved. The information below reflects the recommended amounts for FY2023.

ENTITY/EVENT	TMD FUNDS	NON-TMD FUNDS
San Diego Tourism Authority	$ 34,968,499	$ 5,682,749
San Diego Bowl Game – Sports San Diego	840,000	105,000
Thunderboats Unlimited – San Diego Bayfair	120,000	429,500
California Police Athletic Foundation	70,000	405,500
California State Games – 2022 Summer Games	100,000	407,000
World Lacrosse Championships	130,000	4,197,450
Fast Forward Futures – San Diego Bay Wine & Food Festival	74,500	946,000
San Diego Bowl Game – Holiday Bowl	435,000	8,000,000
San Diego Crew Classic	125,500	707,450
Wonderlust Events LLC - Wonderfront	250,000	7,775,077
Old Town Chamber of Commerce	25,710	51,590
California State Games – 2023 Winter Games	60,000	118,000
Maverick Sports – Surf College Cup	55,000	168,000
San Diego Diplomacy Council	45,000	305,854
EcoTrek – Zero Emission Summit	171,875	819,014
Maverick Sports – Surf Cup Challenge	55,000	168,000
Legit Rare Football – All American Championship	74,500	25,500
Access Youth Academy	30,000	5,000
TOTAL	$ 37,630,584	$30,316,684

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	
Wages, Taxes & Employee benefits	$ 2,569,247
Advertising	8,970,000
Advertising agency fees	--
Bid Fees/Team payouts	--
Dues/ Subscriptions/Memberships	73,950
Event registration fees	159,094
Lead generation services	186,101
Outside contractors	78,815
Rentals – remote space office	14,550
Research	292,402
Special event production	51,263
Sponsorships	212,062
Allocation of Indirect Costs	1,682,186
Total Targeted Marketing and Sales Programs	**14,289,670**
Destination Marketing	
Wages, Taxes & Employee Benefits	2,128,735
Advertising	10,530,000
Advertising agency fees	2,437,500
Dues/ Subscriptions/Memberships	57,534
Event registration fees	73,602
Marketing materials	1,950
Outside contractors	2,729,024
Research	248,626
Special Event production	13,162
Sponsorships	24,375
Allocation of Indirect Costs	2,434,321
Total Destination Marketing	**20,678,829**
Total	**34,968,499**

San Diego Tourism Authority
Program of Work

General 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 region's 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 15-member board of directors composed of industry and non-industry representatives. Funding comes from the City of San Diego Tourism Marketing District, San Diego Convention Center Corporation, City of Coronado Tourism Improvement District, and private source revenues (membership dues, advertising, and events).

Investment by 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

- Rebuild San Diego's tourism economy.
- Ensure SDTA financial viability.
- Deliver value for our stakeholders.
- Advocate, inform and educate on behalf of our visitor industry.
- Nurture an organizational culture that is diverse, inclusive, and equitable.

Annually, the SDTA develops the Destination Sales & Marketing Plan with the San Diego Tourism Marketing District's "Experience San Diego: Destination 2040" Master Plan as the strategic foundation. The goal has been to grow inbound travel demand and visitor revenues by boosting brand awareness, developing new markets, and converting more customers to choose San Diego. Sales and marketing plans account for 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.

As we enter the third year of the COVID-19 pandemic, the world's tourism industry continues its struggle to survive. New variants, changing health guidelines and ongoing health concerns continue to impact consumer behavior and business operations.

- AIR TRAVEL - the International Air Transport Association (IATA) noted net industry losses of $51.8 billion in 2021 with demand at 40 percent of 2019 levels and total passengers of 2.3 billion (vs. 4.5 billion in 2019).[i] Robust demand for cargo has been a saving factor in their survival.

- LODGING INDUSTRY - with improving domestic travel conditions, the nation's lodging industry reported total year revenue per available room (RevPAR) that was 83.2 percent of the pre-pandemic comparable according to STR. The 2021 hotel occupancy nationwide was 57.6 percent (-12.6% versus 2019), average daily rate (ADR) at $122.67 (-4.8%) and RevPar at $71.87 (-16.8%).[ii]

Throughout the crisis, the SDTA has been nimble and effective in retooling programs to respond to a rapidly changing environment and budget. California's stay-at-home orders lifted on January 25, 2021, allowing leisure travel to once again resume. Restrictions on restaurants, theme parks and sporting events lifted throughout the spring of 2021. By June, smaller meetings were allowed and restrictions on larger conventions ended in July 2021. By November, the land borders between Canada and Mexico reopened allowing a return to travel and commerce within North America.

As travel activity within the State of California reopened, the SDTA launched sales and marketing programs to aid the region's recovery. Due to the pandemic, San Diego's tourism economy lost 20 years of economic gains in visitor spending, employment, and tax revenues. By investing SDTA marketing dollars to stimulate travel demand, San Diego has seen ongoing recovery and is faring better than many metropolitan areas:

San Diego County Visitor Industry Indicator	**CY 2021**	**% Change over same period 2020**	**% Change over same period 2019**
Total Visitors to San Diego County	23.8 million	+66%	-32%
Total Visitor Spending	$7.5 billion	+44%	-36%
San Diego County Visitor Industry Indicator	**YE 2021**	**% Change over same period 2020**	**% Change over same period 2019**
Leisure & Hospitality Employment	168,000	+29%	-15%
Hotel Occupancy	62%	+11.6 ppt	-15.9 ppt
ADR	$165.48	+26%	+2%
RevPAR	$102.63	+55%	-22%

Looking ahead, Tourism Economics forecasts that San Diego tourism's economy will not fully recover until 2024-2025. The pace of recovery is dependent on many factors including vaccination rates, virus variants, health orders, public policy, economic conditions, competitive pressures, travel access, and SDTA funding.

Nationally, business travel has lessened as corporations shifted to work from home and virtual meetings. According to the Airlines Reporting Corporation, tickets sold through U.S. travel agencies for corporate trips were down 63 percent January 23, 2022, compared to the same time 2019. A 2022 travel outlook report by Deloitte found that corporate travel will continue to be impacted as "company executives closely scrutinize travel spend and return on investment after operating successfully with so few trips". While some have grown accustomed to virtual meetings, there is a growing recognition that F2F is a vital business advantage. On group travel, California was the only state to not allow any indoor group events, meetings, or conventions until the middle of 2021. As a result, there was a loss of business to other states such as Florida and Arizona. In addition, as the virus lingers, attendance at events has been reduced in the near term with meeting planners reporting declines of upwards of 50 percent. Group meetings are considered essential to many associations for their revenue generation and educational credits. Industry associations such as PCMA and MPI report that their meeting planners are actively pursuing more in-person events and working to adapt to endemic conditions.

On the international front, Tourism Economics has reported that inbound travel for the United States will be the last segment to recover due to travel restrictions and air service restraints. Tourism Economics notes that it will be an uneven recovery with some destinations more exposed than others due to the composition of their visitor mix between the Leisure, Business, and International market segments.

San Diego's Road to Recovery

1. Group Meetings and conventions – prior to the pandemic, nearly 40 percent of visitor spending was tied to meetings and conventions. Due to the stay-at-home orders in March 2020 and closure of the convention center for group meetings, the SDTA reduced its sales, services, and events team from 40 FTEs to 27 FTEs. During the worst of the pandemic, team members focused on maintaining key customer relationships, holding town halls, advocating safe reopening guidelines, and rebooking canceled events into future years. With the return of events in June 2021, the SDTA launch media campaigns touting "San Diego is Open for Meetings" and the SDTA began to rebuild its sales team. A core tenant has been the concept of "One Sales Team" under a new leader, Chief Sales Officer Kavin Schieferdecker. From migrating to one CRM system to joint customer events, the united sales and services team is now selling San Diego across citywide conventions and single property hotel meetings. In November, PCMA selected San Diego to hold the January 2024 Convening Leaders

Conference, an opportunity that will bring over 3,000 of the nation's top meeting planners – and 5,000 attendees total - back to San Diego (the PCMA conference was last held in San Diego in 2012) to experience what is new in the destination. The SDTA is investing in the group meetings market to rebuild the pipeline of sales leads to support San Diego's economic recovery.

2. Leisure travel – as noted by Tourism Economics, the domestic leisure market has been carrying the destination while waiting for meetings, conventions, and international travel to recover. Due to strong TMD reserves, the SDTA was able to promote San Diego through-out 2021 and generate strong regional visitation that supported hotels, attractions, restaurants, retailers and more. Changing consumer values has created a situation where San Diego is better positioned than ever as a travel destination. National research done in August 2021 showed that San Diego's natural beauty, outdoor recreation, diversity, and Cali-Baja vibe resonates deeply with a pandemic weary public. In January 2022, new brand creative launched in the marketplace and more dollars are being invested to expand San Diego's targeted audience beyond California and Arizona. This year the SDTA has also grown its Owned media platforms, engaging millions of travelers with trip worthy inspiration. As the competition heats up and travelers seek to return to their bucket list trips, SDTA will continue to aggressively market the destination to a widening universe.

3. International travel – as a smaller U.S. gateway, the drop in international travel didn't have the same devastating effect in San Diego as it had on larger cities such as San Francisco and Los Angeles. San Diego's largest international markets have been Canada and Mexico, followed by the high spending overseas markets of United Kingdom, China, Germany, Japan, and Australia. Prior to the pandemic and U.S. borders being closed to many, international represented just more than 10% of all overnight visitors to San Diego but is considered an important segment due to the high visitor spending patterns generated by these long-haul business and leisure travelers. During the pandemic, marketing programs with Brand USA and Visit California were canceled. As the virus and global travel restrictions wane, San Diego's international marketing program will begin to ramp up over the next three years. The SDTA will initially focus on higher spending visitors and markets with direct air service (Canada, United Kingdom and Germany).

As of February 2022 *Forecast per Tourism Economics February 2022	TMD Assessment Revenues	TMD Allocation to SDTA	SDTA Budget Request	SDTA Room Night Production (Leisure, Hotel Meetings, Citywide Conventions and Sports Groups)
FY 2019 actual	$39.5 million	$41.4 million		5.9 million
FY 2020 actual	$31.3 million	$35.6 million		3.6 million
FY 2021 actual	$13.8 million	$21.0 million		4.5 million
FY 2022 budget	$27.0 million	$26.6 million		4.3 million *f*
FY 2023 forecast*	$39.4 million		$34.5 million	4.9 million *f*

Travel Forecast updated February 2022 by Tourism Economics

- Two years into the pandemic, the travel sector continues to be impacted by factors related to Covid-19, including disease suppression measures and risk aversion. Despite heightened Covid-19 caseloads and deaths amid the Delta, Mu, and Omicron variants over the past year, TSA passthrough numbers continue to close in on 2019 levels. Moreover, Omicron may have pushed U.S. case numbers to a fresh peak on January 15, 2022, but the death rate from those new cases rests at 0.5%, a drastic reduction from the 2.5% to 3.0% rates seen in early June.

- Updated San Diego Tourism forecasts suggest that the timing for a full recovery in San Diego will be somewhat delayed relative to the nation as a whole. Leisure travel is expected to retain its role as the leading edge of the Tourism recovery, with leisure travel expected to surpass 2019 levels in the U.S. and San Diego in 2022, restoring room demand in the process. Meanwhile, business travel in the U.S. is expected to top 2019 levels in 2024, compared with sometime in 2025 in San Diego. Timing differences are primarily because San Diego (and California more broadly) introduced somewhat stricter safety requirements, which delayed the return of business and group travel to the region. However, increased safety measures could also prove to be a boon for business travel in coming years as risk-averse companies seek out safer places to hold meetings and events, providing upside risk to the San Diego forecast.

- As of February 1, 2022, nearly 2.2 million San Diegans over the age of 12 had been fully vaccinated, reflecting a 75.9% vaccination rate that puts San Diego County in the 90th percentile for counties nationwide and in sixth place nationally for the number of residents over 12 who have been fully vaccinated. This could prove to be a boon for travel to the region as visitors continue to be acutely safety conscious. Nonetheless, the outlook is rife with uncertainty, and realized performance could vary from the current predictions this year and next. On the one hand, high vaccination rates and stricter safety protocols could lure more risk-averse

businesses to hold meetings and events in San Diego. On the other, the risk of the U.S. sliding into recession are slightly more elevated as the Federal Reserve moves to normalize monetary policy this year and next.

- The February 2022 forecast assumes that the Omicron surge results in increased risk aversion and risk mitigation steps, as well as practical limitations such as short staffing. Vaccines remain highly effective at reducing the worst outcomes of Covid-19, and the impacts of the Omicron surge are assumed to be concentrated in Q1. For the remainder of calendar 2022, it is assumed that Covid-19 is endemic but recedes as a major cause of death. Surges and outbreaks continue, but severe health risks for individuals are substantially lower than in 2021. It is also assumed that future variants do not represent substantial challenges, consistent with recent data showing increased air travel even as Covid cases rise.

- As has been the case throughout the pandemic and subsequent recovery, leisure travel will continue to drive performance. Leisure travel will continue at above 2019 levels, helping to offset still-weak recoveries in business transient and group demand. This segment will continue to be boosted by favorable factors such as improving labor market and economic conditions, reduced public health concerns, and pent-up demand. However, competitive pressures are expected to increase as drive markets explore a wider array of travel options, limiting upward potential.

- With the recent reopening of U.S. borders to many international markets, international inbound travel is expected to begin its recovery but only at a measured pace. Group and business transient travel face a similar uphill battle. The forecast assumes at least several consecutive months of falling Covid cases and a reduction in the frequency and severity of Covid variants before companies once again send employees to destinations for large meetings and conferences. These visitors tend to stay in San Diego longer and spend more money, on average, than leisure visitors. So, while leisure demand will help propel occupancy and hotel revenues, a return to pre-Covid visitor spending in the region will rely on a full recovery in the international and business segments, which is not expected until at least 2024.

- San Diego visitation and traveler spending was significantly impacted by Covid-19 in 2020 but rebounded considerably in 2021 and is expected to grow further in 2022. Visitation to San Diego in 2022 is expected to total 32.6 million, which is approximately 2.5 million fewer visitors than 2019 (35.1 million) but 37% more than in CY 2021. Day and overnight visitation are both expected to improve during 2022, but remain 16% and 10% below 2019 levels, respectively. Visitor expenditures are expected to recover to 26% below 2019 levels in 2022, with day visitor expenditures expected to end CY 2022 17% below 2019 levels and overnight spending to end the year about 27% lower.

- San Diego visitation is expected to return to 2019 levels in 2024, delayed by the Delta, Mu, and Omicron Covid variants and driven in large part by overnight visitors. Day visitors are expected to grow at a slightly slower rate than overnight visitors and are not expected to return to 2019 levels until at least 2025. Overall visitation growth is forecast to level off somewhat from 2022 in 2023 (9%) as competitive pressures increase and travellers look to other destinations outside of San Diego to visit. Visitor spending is anticipated to take a little longer to return to 2019 levels than visitation, which is not expected until after 2025. We forecast overall visitor spending will grow 25.1% in 2022 and 12.3% in 2023 before stabilizing between 4.7% and 5.8% in 2024 and 2025.

- San Diego's Tourism recovery has been highly uneven, with leisure transient-oriented properties having recovered for the most part but commercial and international travel practically waiting for lift-off. That said, ADR has averaged about 10% more than 2019 levels in the second half of 2021, and recent ADR performance led to modest forecast upgrades for coming years. Overall, San Diego market room revenue is expected to recover to $2.8 billion in 2022 (7.1% below 2019), and then to almost $3.0 billion in 2023, 2.4% *above* its 2019 level. The traditional importance of the group segment in San Diego means that full recovery of the market will be postponed until the public health crisis is sufficiently resolved. We have assumed that the impacts of Omicron and other potential variants are concentrated in 2022 Q1 and will gradually recede as the year progresses, which provides the foundation for a strong 2023 barring any large, unforeseen shocks in the interim.

5-Year Growth Rate Outlook

San Diego Tourism Summary Outlook
(annual % growth, unless stated)

	2018	2019	2020	2021	2022	2023	2024	2025
Visits	2.5%	-1.9%	-59.2%	57.1%	36.3%	8.7%	4.9%	3.6%
Day	3.0%	-3.3%	-67.3%	65.9%	55.9%	6.9%	4.7%	4.2%
Overnight	2.0%	-0.5%	-51.3%	51.4%	22.5%	10.4%	5.1%	3.0%
Expenditure	6.1%	1.3%	-55.6%	33.2%	25.1%	12.3%	5.8%	4.7%
Day	5.8%	-0.2%	-69.1%	70.8%	57.0%	7.8%	5.9%	5.0%
Overnight	6.1%	1.5%	-54.3%	30.6%	22.3%	12.8%	5.8%	4.7%
Hotel Sector								
Room supply	0.5%	2.3%	-7.6%	7.4%	1.7%	1.4%	1.0%	1.5%
Room Demand	2.4%	-0.1%	-41.3%	36.4%	18.2%	7.0%	3.5%	2.8%
Occupancy (%)	78.5	76.6	48.7	61.9	71.9	75.9	77.8	78.8
ADR ($)	$165.77	$166.11	$129.89	$164.54	$162.94	$167.81	$174.19	$180.08

SAN DIEGO TRAVEL FORECAST ASSUMPTIONS
Updated February 2022

	2022 Q1	2022 Q2 to Q4
Virus	• Omicron surge results in increased risk aversion and risk mitigation steps, and practical limitations such as short-staffing. Vaccines remain highly effective at reducing the worst outcomes of Covid-19. Impacts of Omicron surge are assumed to be concentrated in Q1.	• During 2022, it is assumed that Covid-19 is endemic but recedes as a major cause of death. Surges and outbreaks continue, but severe health risks for individuals are substantially lower than in 2021. Assumes future variants do not represent substantial changes.
International	• Borders remain open for arrivals by land and air, though with testing requirements.	• Progressive increases in international inbound travel.
Business travel	• Some corporate travel restrictions tighten during Omicron surge and then gradually ease.	• Corporate travel normalizes progressively through 2022 as travel policies and budgets are revised.
Leisure travel	• Leisure travel continues ahead of 2019 levels, helping offset low levels in business transient and group demand.	• Leisure travel continues to be boosted by favorable factors (e.g., improving employment levels and economic conditions, reduced public health concerns, and pent-up demand). • Competitive pressures increase
Group travel	• Group demand negatively impacted during worst periods of Omicron surge in Q1, but activity improves as public health situation improves.	• The return of group meetings dependent on type of group or vertical industry. • Larger events are slower to recover.

SAN DIEGO HOTEL SUMMARY TABLE

Annual

Forecast summary

	2017	2018	2019	2020	2021	2022	2023
Supply (in millions)	22.7	22.8	23.3	21.5	23.1	23.7	23.8
Demand (in millions)	17.5	17.9	17.9	10.5	14.3	16.9	18.1
Occupancy	77.0%	78.5%	76.6%	48.7%	61.9%	71.5%	75.9%
ADR	$159.50	$165.76	$166.11	$129.89	$164.54	$162.94	$167.81
RevPAR	$122.82	$130.07	$127.21	$63.24	$101.79	$116.48	$127.35
Room revenue (in millions)	$2,793.3	$2,971.2	$2,966.6	$1,362.7	$2,355.2	$2,755.8	$3,037.2
Growth							
Supply (in millions)	*1.1%*	*0.4%*	*2.1%*	*-7.6%*	*7.4%*	*2.3%*	*0.8%*
Demand (in millions)	*1.2%*	*2.4%*	*-0.4%*	*-41.3%*	*36.4%*	*18.2%*	*7.0%*
Occupancy	*0.1%*	*1.9%*	*-2.4%*	*-36.4%*	*27.1%*	*15.6%*	*6.2%*
ADR	*3.5%*	*3.9%*	*0.2%*	*-21.8%*	*26.7%*	*-1.0%*	*3.0%*
RevPAR	*3.6%*	*5.9%*	*-2.2%*	*-50.3%*	*60.9%*	*14.4%*	*9.3%*
Room revenue (in millions)	***4.8%***	***6.4%***	***-0.2%***	***-54.1%***	***72.8%***	***17.0%***	***10.2%***
Difference from 2019 level			***0.0%***	***-54.1%***	***-20.6%***	***-7.1%***	***2.4%***

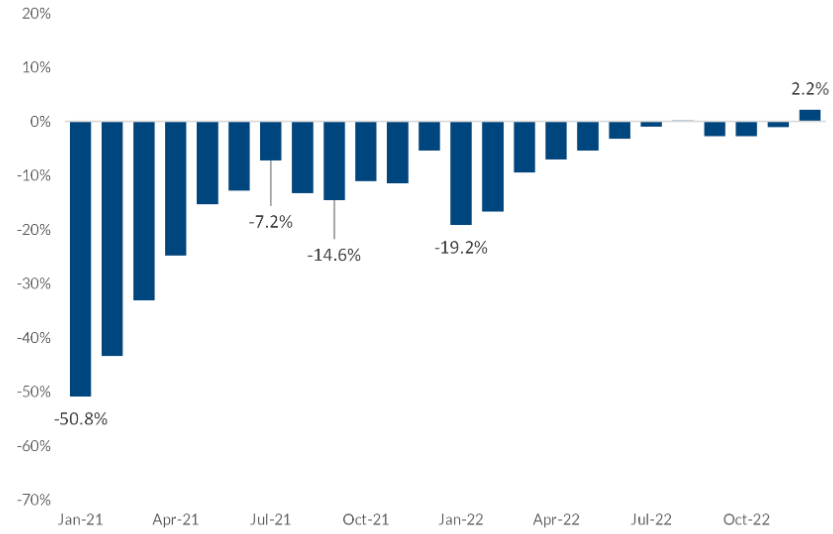
Source: STR, Tourism Economics

KEY RESULTS

Comparison to 2019 as a base year

Demand impact

Difference relative to same month in 2019

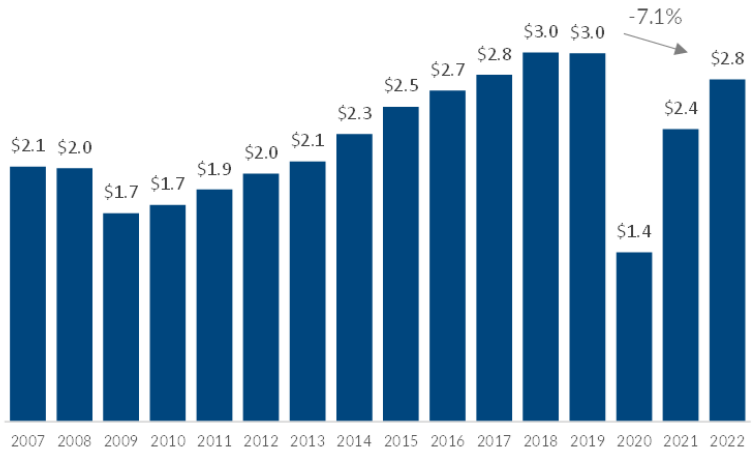


Source: STR, Tourism Economics

- Forecast assumes performance weakens in January due to Omicron, and the historical importance of business transient and group demand.
- In spring 2022, recovery is expected to continue.

Room revenue

In billions



Source: STR, Tourism Economics

- Room revenue in 2022 is expected to be 7.1% below 2019. This would be similar to the annual revenue in 2017.
- The prior forecast (October) anticipated room revenue in 2022 would be 5.0% below 2019.

High-Level Strategies and Tactics

1. Update the 2014-2015 San Diego Tourism Destination Master Plan to reflect the impacts of the pandemic on the tourism economy and chart a new course that creates greater resiliency, sustainability, and equity.
    a. Apply grant funding and private source revenue to support the master plan project
    b. Hire a consulting firm to support data analysis, community outreach, and plan development
    c. Collaborate with a local partner to study the San Diego Leisure & Hospitality workforce including insights on career paths, compensation, and workforce issues
    d. Expand the San Diego Tourism Accelerator program to 25 local businesses in minority and underserved areas

2. Continue to advocate on behalf of the visitor industry and lead the community to recovery.
    a. Partner with the San Diego Regional Chamber of Commerce and San Diego Regional Economic Development Corporation to communicate the value of the tourism economy and jobs
    b. Serve on CalTravel and U.S. Travel Executive Boards
    c. Collaborate with the County's Re-opening Team as guidelines and policies shift in response to the pandemic
    d. Support the SDTA members through policies, education and programs that aid their economic recovery

3. Provide support to community partners to rebuild San Diego's Tourism product and experience.
    a. Neighborhoods – Community groups, City Council, and County of San Diego
    b. Arts and Culture – 2024 World Design Capital Host Committee, City of San Diego Commission for Arts and Culture, Balboa Park organizations
    c. Craft Beer – San Diego Brewer's Guild
    d. Food – California Restaurant Association, San Diego Chapter
    e. Attractions and Entertainment – Major attraction partners, San Diego Padres
    f. Major events – Community and event organizers
    g. Quality of Life including issues around Homelessness – Downtown San Diego Partnership, San Diego Regional Chamber of Commerce and San Diego Regional Economic Development Corporation

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

5. Continue to monitor the visitor industry and serve as a resource to TMD, local government, industry partners and members.
    a. Partner with key stakeholders on the 2022 San Diego Visitor Profile (first intercept study since 2019)
    b. Provide critical industry insights including Hotel Market Analysis, San Diego Visitor Industry Performance Tracking, and Tourism Industry Forecasting
    c. Continue to incorporate free/low-cost third-party research and partner with SANDAG, Visit California and Brand USA to gain needed insights

6. Expand DE&I programs beyond staff training, staff recruitment and marketing programs to include the diversification of the Board of Directors and extended community outreach.

7. Re-envision the sales organization into a ONE SALES TEAM model including leadership, CRM systems and programs.

Marketing Key Strategies and Tactics

1. Capitalize on the strength of the San Diego “Sunny Outlook” Brand Platform. Tap into the “Betterment Trend” and insights from the August 2021 National Focus Group Research to focus on outdoor recreation, scenic beauty, and positivity. Continue to position San Diego as a safe, close, and rejuvenating destination.

2. Prioritize Domestic Consumer Advertising to generate maximum hotel/motel visitor volume for the destination.
    a. Continue OmniTrak advertising program effectiveness and return on investment study to guide program of work including creative messaging, markets, and media plans.
    b. Expand Western Region drive markets and add a small layer of national markets.
    c. Prioritize television (linear and online) and digital media mix based on ability to deliver reach, recall, and return on investment.
    d. Deploy a multi-layered media and messaging approach including Brand Awareness, Digital, Always-On Content, Social and SEM.
    e. Leverage media partnerships to establish third-party credibility and endorsement. Past partnerships have included Trip Advisor, Conde Nast publishing, BuzzFeed and Univision.
    f. Implement promotional strategies such as Yay Weekyay and Kids Free October to help shore up need periods.
    g. Pull active travel planners through the journey towards booking. Through RFP, select key OTAs/booking platforms for paid campaigns. Effectively reach travel prospects through first-party data insights and by running high-profile media placements.

3. Continue Group Meetings marketing initiatives with paid advertising, direct marketing, and social media. Lean into those new business developments happening in San Diego's high tech, bio tech and life sciences sectors to promote San Diego's innovation sector as another reason to choose San Diego.
    a. Continue the paid media campaign with trade publications and generate meeting planner referrals.
    b. Expand social media program to support direct sales team with fresh messaging and lead development.
    c. Develop an RFP to meetings media publications to generate greatest direct marketing opportunities to reach key customers.
    d. Develop a new sales video to promote the destination and update sales materials accordingly.

4. Begin to tap into the Brand USA LOA Reserve to start consumer campaigns programs targeting primary markets.
    a. Priority international markets are Canada and the United Kingdom based on air service and pre-COVID visitor volume, spending.
    b. Secondary markets include China, Japan, Germany, Mexico, and Australia.
    c. Prior to the pandemic, markets on the rise included France, South Korea, India, and Brazil.

5. Increase San Diego's share of voice and leverage the paid media budget through unpaid EARNED media programs.
    a. Public Relations – Secure editorial coverage of travel to San Diego in tier 1 media outlets with high consumer influence within target markets. Continue to pitch the San Diego Brand and diverse visitor experience.
    b. Unpaid Media Promotions – provide member opportunities for unpaid media exposure in key geographic markets through traded "win a trip" promotions.

6. Connect with travelers and communicate the depth of San Diego travel experiences. through OWNED and SOCIAL media channels.
    a. Pay-off the paid media program of work by delivering on the brand promise in the owned digital channels (web and social).
    b. Grow SanDiego.org audience base through paid and organic strategies.
    c. Continue to cost efficiently manage content through the SDTA Communications Team and Members.
    d. Begin analysis of current web platform (built in 2015) and outline future requirements.

7. 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 in the U.S. and priority international markets. 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 IPW to show San Diego tourism support and build new business.
d. Agent Education – continue virtual training programs to create “San Diego Specialists”.
e. Communication Tools and Resources – continue to support travel partners with San Diego brand creative assets, videos, photography, brochures, and e-newsletters.

ONE TEAM Group Sales Key Strategies & Tactics

1. Aggressively sell San Diego as a premier Meeting and Conventions destination, reaching out to customers to provide valued support and services.
   a. Work with customers to move canceled or postponed events into open dates and space. Reach out to all customers that cancelled their meetings to determine can they return to San Diego and rebook them. Contact customers who did not book San Diego in 2020 and 2021 due to the covid restrictions regardless of status (NEMO, report or annual).
   b. Continue to develop leads for new group business on behalf of the destination.
   c. Work with hotel partners to understand availability options for what current trends are showing will be an increase in shorter-term bookings.
   d. Support hotels in stressing to clients the ability for events to happen safely in San Diego by following safety protocols and guidelines, that further cancellations or postponements of events will be seen more as a business decision vs. a safety decision.

2. Continue to provide best-in-class DMO service to meeting planner customers.
   a. Provide customers with site visits – in person or virtual – to help them choose San Diego.
   b. Provide customers with the most up to date Health and Safety protocols to assist in planning and executing their upcoming events.
   c. Provide guidance to customers and our hotel partners to help with hybrid options for 2022.

3. Leverage the combination of the Hotel Meetings and Citywide Sales Teams to create greater cost efficiencies, generate more cross-referral business opportunities, and demonstrate a unified San Diego presence.
   a. ONE TEAM presence for customer events, tradeshows, sales calls, industry, and partner events.
   b. Consolidated account database for customer tracking and referrals.
   c. Expanded E-newsletter to combined data base to showcase destination and educate planners on how San Diego meets their event needs.

d. Greater impact of joint customer information to benefit the city.
e. Continue the integration of Client Services (formerly Convention Services) from the SDCCC team into the SDTA team to allow for a better efficiency and client experience.

4. Support member business recovery through the Meeting Planner Audience Co-op Program including the Meeting Planners Guide collateral tool, social media posts and web content.

5. Reintroduce in-market Sales Mission/Road Shows and Focus Groups.

6. Host 4-6 FAM events in San Diego, each targeting new clients and our different neighborhoods/regions.

<u>Citywide Conventions Sales Key Strategies & Tactics</u>

7. Maximize the San Diego Convention Center hotel room night production and building revenue goals. Focus on the open dates within the next ten years.
   a. Ensure room blocks and space being held are still accurate and work to release back anything as soon as possible.
   b. Conduct Monthly Housing Update calls with hotel partners to provide the most up-to-date information known.
   c. Roll out a new Citywide Sales strategy based on a standardized scoring of all citywides in terms of value to key stakeholders (pattern, seasonality, F&B spend, booking window, etc.).
   d. Build sales goals – individual and team – that focuses on booking the right business (short term, need time or highest value) not just the most business.
   e. Shorten the booking window to allow the strategy the ability to diversify our market mix, keeping patterns open for more lucrative short-term business (within three years).
   f. Understand how Covid has impacted our clients' annual meetings moving forward.
   g. Use the database of accounts to find the right accounts and place them in the open space.

8. Develop new accounts that will book into the San Diego Convention Center.
   a. Use the tradeshows and customer events to familiarize new clients about how much San Diego has to offer a Citywide convention and their attendees.
   b. Utilize resources including the MINT database, Top Medical Meetings and Tradeshow Executive.
   c. Become more involved with CEMA (Corporate Events Marketing Association) to position San Diego as a premier Corporate meetings option.

9. Secure the most valuable Medical Citywide Rotations. The SDCC is a leader in servicing the lucrative Medical Citywide group market. The Sales Team continues to have excellent relationships with these clients.
   a. Continue signature events in the Midwest and DC/VA/MD regions targeting the Medical Citywide clients.

b. Target premium large Medical Citywide for multi-year contracts according to the established booking guidelines.
c. Effectively and professionally offer options to those long-standing clients that might no longer achieve the stakeholder objectives.

10. Engage in long-range planning for Measure C adoption and implementation.

Hotel Meetings Key Strategies & Tactics

11. Continue the Customer Acquisition Program to develop new group prospects for the destination.
    a. Determine trusted partners and vendors to vet potential customers for San Diego.
    b. Target 4 FAMs of 15–20 new customers each throughout the year with the assistance of a trusted partner or on our own.
    c. Host sourcing groups from key meetings and incentive companies (i.e., Maritz, Smith Bucklin etc.)
    d. Continue outreach with Road Shows/customer events to specific feeder markets.
    e. Schedule 4 - 6 focus groups in cities that have more potential to book San Diego.
    f. Budget travel money so that NSD's can also conduct mini-FAMS with key customers throughout the year.

12. Expand San Diego Meeting Certified to train new hospitality partners in the market.
    a. Schedule classes in the first half of FY2023 that focuses on selling San Diego post-Covid.
    b. Based on issues discovered once the hotels reopen, tailor the classes on selling the San Diego brand, conducting stellar site experiences, working as a destination team, and selling safety precautions.
    c. Include selling strategies on attrition, force majeure, and cancellations.
    d. Create sessions focused on attractions/venues and other non-Hotel salespeople and continuing education classes for refreshers throughout the year for all previous attendees.

FY 2023 TMD Funding Request and Projected Return on Investment

Funding Request	**$34,968,499**
Directors' Aggregate Ranking	**#1 of 22**
Return on Investment	
TMD Hotel Room Nights Generated	**4,950,000**
Lodging Revenue @$165.66	**$820,017,000**
ROI	**23.5:1**

San Diego Bowl Game Association – Sports San Diego

Sports San Diego's mission is to drive visitor demand to economically benefit the San Diego region through recruiting, supporting, and hosting world-class sports events. Sports San Diego is a dba under the non-profit San Diego Bowl Game Association 501c3. Sports events have been a pillar of the tourism industry in San Diego dating back to the 1960's. San Diego has been successful in hosting some of the largest events and most iconic brands in the world including the Super Bowl, X-Games, MLB All-Star Game, U.S. Open, Breeders' Cup, and more.

The organization responsible for driving sports tourism has evolved many times to meet the increased and changing demands of the market as well as opportunities within our community. In 2019, nearly 180 million people traveled to a sports event in the United States either as a participant or spectator. Sports travelers, event organizers, and venues spent $45.1 billion in 2019 according to a study from Tourism Economics and the Sports Events & Tourism Association. With the support of the San Diego Tourism Authority and Tourism Marketing District, Sports San Diego launched in February 2022 to serve as the primary organization responsible for marketing San Diego as a sports destination and driving visitor demand through recruiting, supporting, and hosting world-class sports events.

As part of the FY23 Sports San Diego budget, bid fees for ECNL Girls Playoffs, ECNL Girls Showcase, ECNL Boys Showcase and Transplant Life Foundation Games have also been approved.

Funding Request	$840,000
Funding Recommendation	**$840,000**

Ranking:

- Directors' Aggregate Ranking: Not ranked – previously approved

Return on Investment (ROI) - Projected:

• Total hotel room nights	68,500
• New hotel room nights of total	68,500
• Return @ $183.5 ADR (average daily rate)	$12,569,500
• **ROI**	**15.0:1**

Thunderboats Unlimited
San Diego Bayfair

San Diego Bayfair continues to be the largest water-sports festival in California, attracting fans from around the country to Mission Bay for the National Championship for H1 Unlimited, the youth-oriented Hydro-Games and the popular Grand Prix America hydroplanes. A successful addition for 2021 was a car and motorcycle show, which will be a companion piece to the 2022 California BBQ Championships on Mission Bay. Bayfair will take place September 16-18, 2022, on East Vacation Island/Ski Beach, Crown Point and Fiesta Island. The organization installs 18,170 feet (about 3.5 miles) of temporary fencing during the event to control access to the three islands. Bayfair takes full control of the islands during event week from noon Thursday (September 15, 2022) to noon Monday (September 19, 2022).

Bayfair's attendees come from throughout the country (some internationally) and our demographic is older, family-oriented and frequently use our event as a family vacation or a reunion with friends. Bayfair also generates room nights through team participants and attendees.Bayfair is in the process of signing an agreement to host an Airstream RV convention on Crown Point the weekend for Bayfair. More than 100 Airstream owners in their iconic silver RVs are expected the five-day event. While adding a RV convention might seem contradictory to increasing room nights spent in hotels, a survey done by Bayfair found each rented RV space generates 1.9 room nights. Attendees will invite family and friends, using the motorhome as a "home base." The Airstream convention will also bring in dozens of support staff, who won't stay onsite.

Funding Request	$120,000
Funding Recommendation	**$120,000**

Ranking:

- Directors' Aggregate Ranking: #2 of 22

Return on Investment (ROI) - Projected:

• Total hotel room nights	17,048
• New hotel room nights of total	1900
• Return @ $219 ADR (average daily rate)	$3,733,512
• **ROI**	**31.1:1**

California Police Athletic Federation

The United States Police & Fire Championships will be celebrating its 55th year of competition in 2023 with athletes representing law enforcement, firefighters, and officers from corrections, probation, border protection, immigration, and customs from across the country meeting in San Diego for a week of intense competition. In 2021 we opened our eligibility to include 9-1-1 Dispatchers, Detention-Custodial Officers, Crime Scene Investigators, and Lifeguards; expanding our available athlete base. Athletes compete in over 50 different sports at 35 venues throughout the county.

We utilize a very active and dedicated group of Sports Coordinators and volunteers largely from the county to assist us with the delivery of our sports. Top notch officials and nationally recognized venues like Balboa Park and Torrey Pines Golf Course are used to solidify our event as a sought after and established competition.

Our athletes not only attend our Games, but use the event as an excuse for San Diego to be their annual vacation destination.

Funding Request	$70,000
Funding Recommendation	**$70,000**
Ranking:	
• Directors' Aggregate Ranking:	#3 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	8,343
• New hotel room nights of total	1,000
• Return @ $239 ADR (average daily rate)	$1,993,977
• **ROI**	**28.5:1**

California State Games – Summer Games

California State Games (Summer Games) is an annual Olympic-style sports festival featuring top youth athletes in the state. It is a grass roots program of the United States Olympic and Paralympic Committee. In the past, the athletes have come from all over the state to compete in this premier amateur event and vie for the Gold, Silver, & Bronze medals. Due to Covid-19, we were unable to hold the 2020 California State Games - the first cancellation in 32 years and 2021 was a substantially modified Games.

The 2022 CSG is currently planned to be held in San Diego July 14-17. Our plan is to continue marketing the Games to Northern & Central California in addition to Arizona and Nevada with TMD funding. Our numbers should increase in 3-4 years if we have funds to aggressively market in all of these areas. In addition to the market expansion, the Summer Games is adding Sport Climbing which will bring additional athletes. Sport Climbing is a new Olympic sport and has many participants from throughout California & Arizona that travel to tournaments. We believe this sport will have a great turnout even in its first year given the proper marketing. We will also focus on sports with minimal attendance from outside of San Diego. In 2022, we are continuing to host regional contests in BMX and Skateboarding to encourage athletes from all over California, Arizona, and Nevada to come to San Diego. Now that Skateboarding is an Olympic sport, we are hoping to increase numbers in this sport also. We are hoping to get back to more of a pre-Covid normal for our sports and the event in whole to continue to grow. We had a great response from the sports we were able to host in 2021.

The Summer Games anticipates close to 7,400 athletes competing in 22 sports at venues throughout San Diego. An estimated 11,000 hotel room nights will be booked in all parts of the Assessment District including North County, Central & South County over the 4-day period.

Funding Request	$100,000
Funding Recommendation	**$100,000**

Ranking:

- Directors' Aggregate Ranking: #4 of 22

Return on Investment (ROI) - Projected:

• Total hotel room nights	11,000
• New hotel room nights of total	1,000
• Return @ $179.00 ADR (average daily rate)	$1,969,000
• **ROI**	**19.7:1**

World Lacrosse Championships

The World Lacrosse Championship (WLC) is the international men's field lacrosse championship organized by World Lacrosse that occurs every four years for the world's top teams to compete for the title. World Lacrosse is the international federation for men's and women's lacrosse responsible for providing governance of the sport internationally while supporting the continued growth of lacrosse worldwide. World Lacrosse currently has 73 member nations.

The 2023 Men's World Lacrosse Championship has been awarded to San Diego as the host city - thirty nations will send teams of 26-30 individuals to compete in the ten day tournament to crown the World Champion. The first WLC was held in 1967 in Toronto, Ontario, Canada, and the most recent WLC was held in 2018 in Netanya, Israel. The 2023 event may be the final springboard to propel lacrosse into the Olympics in 2028 and will put San Diego on an international stage.

The San Diego Local Organizing Committee will work closely with local venues, hotels, and transportation partners to host the WLC at three locations - San Diego State University, Aztec Stadium, and University of San Diego. The main tournament will host approximately 120 games across 11 days, with Opening Ceremonies, Closing Ceremonies, and the Gold Medal and Bronze Medal games hosted at the newly constructed Aztec Stadium. Throughout the week, there will be an average of two featured games per day which will be hosted at Torero Stadium. Each tournament site will include a Vendor Village with tournament merchandise, partner activations, and brand experiences.

There will be youth and amateur division tournaments to coincide with the WLC. Pending field availability, approximately 30 teams will compete per age group in a three-day tournament. There will be three consecutive three-day tournaments to coincide with the World Lacrosse Championship tournament. Hotel night stays will consist of youth and amateur teams, as well as tournament spectators made up of US and international guests traveling to support their nation's lacrosse team.

Funding Request	$130,000
Funding Recommendation	**$130,000**

Ranking:

- Directors' Aggregate Ranking: #5 of 22

Return on Investment (ROI) - Projected:

• Total hotel room nights	6,150
• New hotel room nights of total	6,150
• Return @ $269 ADR (average daily rate)	$1,654,350
• **ROI**	**12.7:1**

San Diego Bay
Wine and Food Festival

The San Diego Bay Wine + Food Festival is one of the nation's largest luxury culinary events historically drawing 10,000+ attendees from across the country and, prior to the pandemic, an estimated 36% from outside of the San Diego market. Featuring a week full of events the Festival puts a national spotlight on the city's growing culinary tourism industry, its chefs, farmers, fisherman and attractions that make the city so unique.

In addition to the live event environment, the Festival has a sophisticated marketing and data capture strategy that allows dialogue with consumers year-round. Public relations, advertising, digital marketing, influencer outreach and social media strategies aid the Festival in garnering over an annual 400 million impressions.

The leadership production team is comprised of full-time, dedicated event professionals who intimately understand complex logistics and what it takes to produce a world-class event that emotes the essence of the city and quality of experience, creating repeat customers and, with funding assistant, grow incremental room nights year-over-year.

In 2019, the San Diego Bay Wine + Food Festival celebrated 16 years of production, earning accolades from industry pace-setters such as Biz Bash Magazine with its annual ranking of the top 100 events in Southern California, of which the San Diego Bay Wine + Food Festival once again placed. The San Diego Bay Wine + Food Festival also was awarded by USA Today as the Top Wine & Food Festival in the country for 2019/2020.

Funding Request	$74,500
Funding Recommendation	**$74,500**
Ranking:	
• Directors' Aggregate Ranking:	#6 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	4,000
• New hotel room nights of total	1,000
• Return @ $220 ADR (average daily rate)	$880,000
• **ROI**	**11.8:1**

San Diego Bowl Game Association
Holiday Bowl

The San Diego Bowl Game Association is a non-profit corporation that annually promotes and produces the SDCCU Holiday Bowl. The SDBGA has produced college football bowl games in San Diego since 1978. The organization is uniquely qualified through and experienced staff, dedicated volunteers and outstanding conference partnerships to annually meet its mission of generating hotel room nights and economic impact at the most challenging off-peak season of the year for the local tourism and hotel industry. With such low hotel occupancy historically in December, every room night that the Holiday Bowl generates is a room that would have been empty otherwise, providing incremental new nights to the San Diego region. The San Diego Bowl Game Association operates the Holiday Bowl, a college football bowl game, in December at Petco Park. The Holiday Bowl features top teams from two Power 5 conferences - the Pac-12 and ACC. The Holiday Bowl is able to attract major college football programs with the enthusiastic fan bases because of its team payout. For the Holiday Bowl to maintain its current selection status and caliber of teams, meeting and exceeding the current payout numbers is critical. Therefore, 100% of the TMD funds requested for team payout will go directly to the teams.

The dates of the 2022 Holiday Bowl will be between December 27th and December 31st. Over the past ten years the game was played (it was cancelled in 2020 and 2021 due to the pandemic), the Holiday Bowl has generated over 23,000 room nights per year. The 2019 game achieved 19,055 room nights across San Diego. It is predicated that the 2022 room night reservations should approach or exceed 23,000 based in part on strong interest from ACC fans. In addition to the influx of room nights from the fans of the participating teams, the Holiday bowl is televised nationally on FOX Sports/ FS1 and annually attracts 1.6 to 5 million viewers.

Funding Request	$435,000
Funding Recommendation	**$435,000**
Ranking:	
• Directors' Aggregate Ranking:	#9 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	23,000
• New hotel room nights of total	0
• Return @ $189 ADR (average daily rate)	$4,347,000
• **ROI**	**10:1**

San Diego Crew Classic

In our 50th year, the San Diego Crew Classic has become the West Coast's largest regatta and the third largest regatta in the world. We are an internationally acclaimed rowing regatta featuring over 4,000 athletes in 140 races on the waters of Mission Bay (an increase of twenty races in the last five years). Over 130 local, national and international clubs participate each year, with approximately 95% of the athletes coming from out of San Diego County. The San Diego Crew Classic provides a venue for high school programs, collegiate teams and masters' clubs and Olympic level competition. We also draw ten of thousands of spectators each year. A significant number of these spectators are non-locals who come to San Diego specifically to attend the Crew Classic.

The 2022 San Diego Crew Classic will take place on April 1&2, 2023. Many of our competitors and out of town spectators stay in San Diego. Sunshine, sandy beaches and green lawns of Crown Point Shores on Mission Bay provide a powerful attraction to the east coast teams that have been snowed in over the long winter months. Travel to San Diego in early spring is very attractive to teams that have not been able to row on the water since the previous fall. Through the tireless efforts of 500 plus on-water and on-shore volunteers, we can provide fair and fast racing matched with a fun and festive atmosphere. We have agreements with 40 TMD hotels which provide courtesy room blocks for our visitors. We promote and drive traffic to the hotels via our website, e-blasts, web advertising on major rowing websites, and direct conversation with competitors and spectators. We are also a stay to play regatta.

This regatta began as a three hour event and has grown into a three day event. It has live streaming coverage that is viewed around the world and in 2019 had 55,000 views, a similar number of site visits the weekend of the event and over 4 million hits on Row2K. Our future plan is to continue to add racing opportunities for a larger number of athletes, bringing more athletes and spectators to San Diego.

Funding Request	$125,500
Funding Recommendation	**$125,500**
Ranking:	
• Directors' Aggregate Ranking:	#12 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	6,777
• New hotel room nights of total	1,570
• Return @ $209 ADR (average daily rate)	$1,416,393
• **ROI**	**11.3:1**

Wonderlust Events LLC
Wonderfront

The Wonderfront Festival is an annual festival relaunching after the pandemic for Nov 18-20, 2022 in San Diego, CA. The festival will be a music, arts, culinary and cultural festival showcasing all that is great about San Diego. The festival format will be along the lines of other successful downtown festivals such as Austin City Limits Festival in Austin, TX and Lollapalooza in Chicago, IL, and Outside Lands in San Francisco, CA. The unique difference, however, is that the Wonderfront Festival takes place all along the waterfront in downtown San Diego, including the Embarcadero Marina Parks, The Hilton / Fifth Ave Landing park spaces, Seaport Village, Broadway Port Pier, Ruocco Park, and in many of the theaters, clubs and hotel ballrooms throughout the city. Festival goers will also have the unique experience of moving between the venues on a water taxi system, as well as the utilization of yachts as activation spaces.

The programming of multiple music stages will include a diverse multi-genre lineup of artists. From AAA, indie rock, rock, pop, hip-hop, EDM, but also including country and americana, and latin. There will be more than 80 artists programmed over the weekend, including top nationally and internationally touring artists to regional and local favorites. In addition to the festival, there will be after party concerts in various theaters, clubs, bars and hotel ballrooms.
Festival patrons will have an RFID wristband that gains them access in and out of the festival venues throughout the weekend, so that patrons can at any time pop out of the festival grounds and into downtown San Diego businesses, such as Gaslamp restaurants, bars and shops, as well as flow easily between the venues and their hotel rooms. Whereas most festivals are designed to trap patrons in their grounds the whole time, the Wonderfront Festival is designed to integrate the fabric of San Diego's downtown into the whole festival experience.

Funding Request	$250,000
Funding Recommendation	**$250,000**
Ranking:	
• Directors' Aggregate Ranking:	#13 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	12,500
• New hotel room nights of total	2,289
• Return @ $178 ADR (average daily rate)	$2,225,000
• **ROI**	**8.9:1**

Old Town Chamber of Commerce
Old Town Lucha Libre Festival

The Old Town Lucha Libre Festival will be a festival that displays semi-professional Luchador Wrestling. This event will draw from the Mexican culture already established in Old Town and will focus on bringing people to Old Town to view the wrestling, enjoy craft beer and other elements of the culture. People will participate in this event because there is a high interest in the activity of Luchador Wrestling. During the Fiesta Cinco de Mayo event this is a big draw for many attendees.

This is a new event that will take place in Old Town San Diego. In the past during this time Old Town Chamber of Commerce has held events such as Old Town Art & Craft Show and Founders' Day that did not draw in out of town guests, this year Old Town will market this event to visitors at a slow time of the year. In the past during this time of year San Diego has achieved 2.4K room stays. We hope to increase that number to about 4K room stays for the first year of the event. One similar event in Old Town is Fiesta Cinco de Mayo, this event draws about 65K people to Old Town each year. This event is put on by the Historical Old Town Community Foundations who partners with the Old Town Chamber of Commerce. During that time there are about 5.9K room nights and it is a busier time of the year for San Diego tourism.

Funding Request	$25,710
Funding Recommendation	**$25,710**

Ranking:

- Directors' Aggregate Ranking: #14 of 22

Return on Investment (ROI) - Projected:

- Total hotel room nights 1,200
- New hotel room nights of total 1,200
- Return @ $219 ADR (average daily rate) $262,800
- **ROI** **10.2:1**

California State Games – Winter Games

The California State Games is an annual Olympic-style sports festival featuring top youth athletes. It is a grass roots program of the United States Olympic & Paralympic Committee. In the past, the athletes have come from all over the western United States and Canada to compete in this premier amateur event and vie for the Gold, Silver, and Bronze medals at the California Winter Games.

Why will we be successful? The Winter Games have been successful for 19 years and continue to learn and grow. Majority of our teams and athletes are new participants each year, so our marketing efforts are key to success every year. A unique feature of our Winter Games is that various venues are located throughout the Tourism Marketing District. We block hotel rooms in several parts of the District, from North County to Mission Valley. Since receiving funding from the SDTMD, we have made sure all our host hotels are included in the SDTMD.

Since we are mainly a youth event, the Winter Games appeal to athletes and their families. Ice Hockey, our largest winter sport, has welcomed teams from all over California, Arizona, Colorado, Texas, Utah, and even Canada in the past. We are able to market and accept teams from outside California for the Winter Games, there are no restrictions. Our only restriction this coming year is the amount of ice rinks in the County. In 2020, 2 rinks were permanently closed due to Covid-19. We hope that San Diego will build new rinks in the next few years.

The 2023 California Winter Games will be held in February & March and consists of Ice Hockey, Figure Skating, and Gymnastics. Ice Hockey has a mandatory hotel booking policy where they have to stay at a SDTMD hotel to be accepted into the tournament. For Figure Skating and Gymnastics, we will continue to market to Northern California, Nevada and Arizona to increase out of area participants, so if funded we should be able to expand these sports.

Funding Request	$60,000
Funding Recommendation	**$60,000**

Ranking:

- Directors' Aggregate Ranking: #15 of 22

Return on Investment (ROI) - Projected:

• Total hotel room nights	3,000
• New hotel room nights of total	500
• Return @ $139 ADR (average daily rate)	$417,000
• **ROI**	**7.0:1**

Maverick Sports – Surf College Cup

Maverick Sports introduces Surf College Cup, a spin off event designed for younger age groups. Strategically targeting early December to take advantage of a heavy need time for TMD Hotels, will generate conservatively 2,000+ hotel room nights in year 1. Surf College Cup Youngers will have a region-wide positive impact on hotels and the tourism economy. This event will continue to grow significantly in room night production year over year. The fact that the venue of the event is in Del Mar, adjacent to the North Coastal area of the City of San Diego ensures significant room night consumption outside the core downtown area.

This event is strategically place in the need time of December where hotels have abundant availability. While San Diego counts on the Holiday travel to help occupancies it is not near enough; layering in an event of this magnitude will give added value not only to soft December occupancies, but to room rates as well. With such a large group base being layered in across all sub-region hotels over a year out, provides a prime opportunity for revenue managers to plan accordingly and have optimum revenue producing month. The opportunity to continue to support and grow this event allows for maximization of yield management throughout the region during an extreme need time.

Funding Request	$55,000
Funding Recommendation	**$55,000**

Ranking:

- Directors' Aggregate Ranking: #16 of 22

Return on Investment (ROI) - Projected:

• Total hotel room nights	2,500
• New hotel room nights of total	2,500
• Return @ $164 ADR (average daily rate)	$410,000
• **ROI**	**7.5:1**

San Diego Diplomacy Council

In FY23, the SDDC requests the support of SDTMD to administer events that SDDC anticipates will bring in over 900 international visitors to the San Diego region. These visitors, the majority of whom are first-time visitors to the San Diego region, will spend money at San Diego hotels, airports, restaurants, malls, sightseeing venues, local tourism sites and on transportation, while gaining a positive impression of San Diego. Each event will host between 5-25 international leaders in San Diego for an average of 5 days of professional meetings and activities. These events will serve current and emerging leaders from across sectors and from over 125 countries. In FY23, we project that our events will result in 3,000 additional hotel room nights, approximately $519,000 in hotel revenue, and a total economic impact of $2.7 million to San Diego region, primarily in the tourism sector through hotel rooms, transportation, and meals. In FY23, SDDC plans to initiate over 30,000 professional meetings and 50 social events within San Diego. Each event will include an average of 8-10 professional meetings and 2-3 cultural activities per visitor. Through these programs, 1,700 San Diego area partners will provide hotel stays, transportation, cultural and tourist activities, and other services to these international guests.

Through these events, SDDC aims to foster personal and professional relationships between these international visitors and their San Diego counterparts, in order to promote mutual understanding and create business ties between international communities and San Diego. Another goal of this program is to promote San Diego to visitors who often have never been to the U.S. These international leaders are or will be making decisions for their country and the SDDC aims to provide them a very positive impression of San Diego in order to encourage repeat travel and the development of business ties with the San Diego community.

Funding Request	$45,000
Funding Recommendation	**$45,000**
Ranking:	
• Directors' Aggregate Ranking:	#17 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	3,234
• New hotel room nights of total	2,750
• Return @ $199 ADR (average daily rate)	$643,566
• **ROI**	**14.3:1**

EcoTrek Corp.
Zero Emissions Alliance Summit & Expo

Governments, municipalities, utilities, and companies of all sizes are setting increasingly ambitious targets for eliminating carbon emissions, and trillions of dollars are earmarked to make that happen. However, few viable methods exist to achieve those goals.

The event Zero Emissions Alliance, Inc. ("ZE Alliance") will produce is the Zero Emissions Summit and Expo ("ZE Summit") which is assured success because it meets the critical need of uniting implementors, facilitators, and funding agencies which, together, can make a world with limited CO2 discharge a reality. "Facilitators" will include representatives of governments throughout the world, including those from the U.S. Departments of Defense (DOD), Transportation (DOT), Interior (DOI), and others. Emissaries from regional municipalities, utilities, big and small business, and financial organizations will join them. "Innovators" will include highly funded incumbent and start-up companies from automotive, aerospace, marine, alternative power, and other segments which are dominating technological advancements necessary to usher in the era of viable clean energy and transportation.

The inaugural ZE Summit is being planned for September 6 – 9, 2022 (with several days setup and tear down before and after) and will be centered at the San Diego Convention Center. These dates were selected based on input from the San Diego Tourism Marketing District (TMD), and the San Diego Tourism Authority to best generate the consumption of incremental paid guestrooms in hotels in the City of San Diego.

The ZE Summit will be an annual event. Therefore, it will deluge San Diego each year with thousands of upscale delegates and their families who will be seeking accommodations, restaurants, and attractions. By drawing these masses to our community, the ZE Summit will not only enhance San Diego's reputation as a world-class, must-see destination, but also secure its legacy as a global champion of environmental preservation. Such an effort will surely gain favorable local, national, and international media support, while adding to the prosperity of our hospitality industry and hometown for years to come.

Funding Request	$171,875
Funding Recommendation	**$171,875**
Ranking:	
• Directors' Aggregate Ranking:	#18 of 22
Return on Investment (ROI) - Projected:	
• Total hotel room nights	5,500
• New hotel room nights of total	5,500
• Return @ $250 ADR (average daily rate)	$1,375,000
• **ROI**	**8.0:1**

Maverick Sports – Surf Cup Challenge

With the potential generation of conservatively 2,000+ hotel room nights total in year 2, Surf Challenge MLK will have a region-wide positive impact on hotels and the tourism economy. This event will continue to grow significantly in room night production year over year. The fact that the venue of the event is in Del Mar, adjacent to the North Coastal area of the City of San Diego ensures significant room night consumption outside the core downtown area. To date, the headquarters hotels for the event are all in the City of San Diego in Carmel Valley and La Jolla Mesa areas and all the way down to Mission Valley and back up the I-15 Corridor. The additional Spectator travel will compress all over the city including the Bays, Coastal, and Downtown areas.

This event is strategically place in the need time of January where hotels have abundant availability. While San Diego counts on the Holiday travel to help occupancies it is not near enough; layering in an event of this magnitude will give added value not only to soft January occupancies, but to room rates as well. With such a large group base being layered in across all sub-region hotels over a year out, provides a prime opportunity for revenue managers to plan accordingly and have optimum revenue producing month. The opportunity to continue to support and grow this event allows for maximization of yield management throughout the region during an extreme need time.

Funding Request	$55,000
Funding Recommendation	**$55,000**

Ranking:

- Directors' Aggregate Ranking: #19 of 22

Return on Investment (ROI) - Projected:

- Total hotel room nights 2250
- New hotel room nights of total 2250
- Return @ $179 ADR (average daily rate) $402,750
- **ROI** **7.3:1**

Legit Rare Football
All American Showcase & Championship

Legit Rare's All-American Championship and Showcase is a high school football event featuring the top 100 players in the country. This is a new event for San Diego and will include exhibition games displaying the talents of these athletes while offering recruitment opportunities for college coaches. This event would follow the annual Holiday Bowl during late December creating additional demand over a soft period in hotels.

The event will be played at PETCO Park and include a player showcase,
Media day, drafts and awards events. The teams will have the opportunity to be coached by former professional and college athletes and coaches.

Funding Request	$74,500
Funding Recommendation	**$74,500**

Ranking:

- Directors' Aggregate Ranking: #20 of 22

Return on Investment (ROI) - Projected:

• Total hotel room nights	3500
• New hotel room nights of total	3500
• Return @ $179 ADR (average daily rate)	$626,500
• **ROI**	**8.4:1**

Access Youth Academy

Access Squash Club is a beautiful new venue located just 6 minutes from downtown San Diego in a Federally Designated Promise Zone and convenient to multiple major highways. Several members of the Executive team and staff have a life-long history in the sport of squash and in running squash clubs and squash tournaments. To increase participation in local squash tournaments, Access Youth Academy, a San Diego nonprofit that uses the sport of squash to fuel academic success for low-income youth, has built a state-of-the-art, architecturally unique squash club equipped with top-of-the-line equipment. Participants familiar with Access and the sport of squash are frequently interested in coming to San Diego and Access Squash Club as a destination, and not just for tournaments. Since opening in June 2021 we have hosted one major squash tournament that attracted national and international players. It is a realistic long-term goal of Access Squash Club to be used as an international training center when squash becomes an Olympic sport.

The proven and best way to market squash tournaments is via the US Squash website. Access Squash Club is an officially designated US Squash regional partner. Athletes wishing to participate in all sanctioned tournaments must go through the US Squash website. Participants are self-motivated to attend tournament to improve their ranking levels. Participants at the Gold level will travel from all regions of the country and internationally to increase their rankings.

Funding Request	$30,000
Funding Recommendation	**$30,000**

Ranking:

- Directors' Aggregate Ranking: #22 of 22

Return on Investment (ROI) - Projected:

- Total hotel room nights 900
- New hotel room nights of total 900
- Return @ $169 ADR (average daily rate) $152,100
- **ROI** **5.1:1**

Administration

San Diego Tourism Marketing District Corporation

Personnel	
Employee Benefits	$ 21,433
Executive Director Wages	267,908
Payroll tax	22,907
Workers Comp	2,680
Total Personnel	314,928
Contract Services	
Accounting	264,000
Audit	24,948
Communications	264,500
Legal	153,000
Research and compliance	105,000
Total Contract Services	811,448
Overhead	
Bank service fees	200
Dues and subscriptions	8,820
Insurance	34,369
Meals, Travel & Entertainment	1,200
Occupancy	10,700
Office Supplies	4,000
Parking	400
Payroll processing	4,394
Postage and shipping	2,000
Printing and reproduction	3,000
Total Overhead	69,083
Contingency	824,337
Total SDTMD Operations	**2,019,796**
Administration Fees to the City	**289,630**
Total Administration	**$ 2,309,426**

Opportunity & Catastrophe Summary

Opportunity & Catastrophe Reserve:	Total
7% Assessment revenue	$ 2,765,281
Projected carryover prior years	16,644,091
Utilization of carryover for contractor allocations	(2,076,963)
Total Opportunity/Catastrophe Reserve	**$ 17,332,409**

	2016 Modified District	Renewed District Fund A	Renewed District Fund B	Total
7% Assessment revenue	**$2,765,281**	**$ --**	**$ --**	**$2,765,281**
Projected carryover prior years	**$8,720,051**	**$7,504,259**	**$419,781**	**$16,644,091**
Utilization of carryover for contractor allocations	**$ --**	**$(1,657,182)**	**$(419,781)**	**$(2,076,963)**
Total Opportunity/Catastrophe Reserve	**$11,485,332**	**$5,847,077**	**$ --**	**$17,332,409**

Administration/Interest Income

Administration: (*% of assessment revenue plus interest income)*	
3% Assessment revenue	$ 1,185,121
Projected carryover –prior years	1,074,305
Projected interest and penalties	50,000
Total Administrative/Interest Income	**$ 2,309,426**

Attachments

1. San Diego Tourism Marketing District Corporation (4 pages) ..... Page 43

2. Management Plan Highlights (4 pages) ..... Page 48

3. Funding Cycle for FY2023 (1 page) ..... Page 53

4. Key Elements of the Application Guidelines and Requirements for FY2023 (4 pages) Page 55

5. Sample Application for FY2023 (11 pages) ..... Page 60

6. FY2023 SDTMD Corp. Directors Ranking of Applications Summary (1 page) ..... Page 72

7. SDTMD Corp. Annual Report – FY2021 (16 pages) ..... Page 74

8. FY2022 Interim Report of Activities Summary (7 pages) ..... Page 91

Attachment 1

San Diego Tourism Marketing District Corporation

4 Pages

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:

Richard Bartell, Chair	Vikram Sood, Treasurer	Scott Hermes
C. Terry Brown, Vice Chair	Summer Shoemaker	Alyssa Turowski
Ilsa Butler, Secretary	Steve Cowan	Joe Terzi

Staff:
Colleen Anderson, Executive Director Email: canderson@SDTMD.org

San Diego Tourism Marketing District Corporation:
750 B Street, Suite 1500 Tel: (619) 557-2854
San Diego, CA 92101 Web: 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. 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:

Richard Bartell, Chair
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.

C. Terry Brown, Vice Chair
President, Atlas Hotels
Atlas Hotels represent over 950 TMD rooms in the Mission Valley region of the City of San Diego.

Vikram Sood, Treasurer
Senior Vice-President of Operations, Hostmark Hospitality
Mr. Sood represents Hostmark Hospitality representing over 300 TMD hotel rooms in Downtown, Sorrento Valley and Del Mar regions of the City of San Diego.

Ilsa Butler, Secretary
Senior Vice President, Sales & Marketing, Evans Hotels
Ms. Butler represents Evans Hotels representing 793 TMD rooms in the Mission Bay and La Jolla regions of the City of San Diego.

Steve Cowan
General Manager, Hilton Hotels
Mr. Cowan represents the Hilton Bayfront Hotel representing 1190 TMD rooms in the Downtown and Harbor regions of the City of San Diego.

Scott Hermes
Retired Hotel Executive
Mr. Hermes is the recently retired President of Irvine Company Resort Properties Division. He held senior leadership roles in Sales, Marketing, and Operations with most of his time spent at Starwood, Hyatt, Marriott, and Sunstone Hotels.

Alyssa Turowski,
General Manager, Hilton La Jolla Torrey Pines
Mrs. Turowski represents the Hilton La Jolla Torrey Pines representing 394 TMD rooms in the La Jolla region of the City of San Diego.

Summer Shoemaker,
General Manager, La Valencia Hotel
Mrs. Shoemaker represents Pacific Hotel Group and the La Valencia Hotel representing 114 TMD rooms in the Village of La Jolla region of the City of San Diego.

Joe Terzi,
Retired Hotel Executive
Mr. Terzi served as President and CEO for the San Diego Tourism Authority from March 2009 through December 2020 following 30 years as a hotel executive. Mr. Terzi was a founding member of the San Diego Tourism Marketing District and serves on the Board of Directors for the U.S. Travel Association, California Travel Association, Visit California and several other local organizations.

Attachment 2

Management Plan Highlights

4 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 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 FY2022 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 FY2023

1 Page

Funding Cycle for FY2023

THE FY2023 FUNDING CYCLE

October/November 2021:
FY2023 Applications available on October 11 via www.sdtmd.org/applications
Two Applicant Workshops offered via Zoom:

- October 11 from 10 a.m.-12 p.m. and October 13 from 2 to 4 p.m.
- Workshops provide an overview of the application process, insight on criteria used to evaluate events for funding and an introduction to the online submission system
- GENERAL FY2023 Annual Application Deadline: Friday, November 19, 2021

February 2022:

- DMO FY2022 Annual Application Deadline: Friday, February 11, 2022
- DMO presentation to Board of Directors: Friday, February 18, 2022

March 2022:

- Formal public board review of qualified applications
- Funding recommendations of programs by board
- Notification of funding intention to the City of San Diego

May 2022:

- FY2023 Report of Activities with budget. ROI projections and Scope of Work assumptions submitted to San Diego City Council and Committee for consideration and request for approval

June 2022:

- FY2023 Contract Issued

July 1, 2022:

- FY2023 Begins

November 30, 2022:

- Q1 Progress Recap due. Quarterly reports are required to be submitted 60 days following the end of each quarter. Activities, changes, accomplishments, challenges, etc. are detailed, in addition to event outcomes in the applicable quarter

February 28, 2023:

- Q2 Progress Recap due.

May 31, 2023:

- Q3 Progress Recap due.

August 31, 2023:

- Q4 & Annual Progress Recap due.

Attachment 4

Key Elements of the Application Guidelines and Requirements for FY2022

4 Pages

Key Elements of the Application Guidelines and Requirements for FY2022

General Application Guidelines:
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 are intended to motivate the rental of hotel rooms in hotels with seventy (70) or more rooms. The SDTMD is responsible for allocation and distribution of available funds and contracts with qualified third-party contractors to supply specific sales and marketing programs and services as approved by the Board of Directors.

Each applicant is required to submit an "**Application Request for TMD Funding**" for specific sales and marketing programs that will provide unique privileges and specifically benefit assessed hotels within the *District*. Each application requires information about the applying organization or entity, as well as a budget proposal and narrative specifying how the proposed funds will be spent, and the expected result(s) in City of San Diego lodging room night revenue.

To allocate funding to marketing and sales programs, the SDTMD 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.

Marketing and Sales Programs: Stipulated Requirements
To guide *District*** contractors and ensure direct benefit to assessees***, below is a partial list of requirements to receive district funding:

- 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 hotels and not directly 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, which they will contribute to the promotion or program to pay for any incidental benefit to non-*District* hotels with seventy (70) rooms or more.
- It is required that all advertising materials and media include a call-to-action that directs consumers exclusively to *District* lodging businesses.

**A contractor is an entity that applies for and is granted funding from the SDTMD.*
***Within the boundaries of the City of San Diego.*
****Lodging businesses with seventy (70) or more rooms located in the City of San Diego.*

Funding Awards

Fundamental to the funding of any application will be the clearly articulated projected incremental room demand caused by the proposed event. The specific benefit must be projected in the incremental delivery of hotel room night sales to assessed hotels. Incremental is defined as paid room nights in excess of what would be consumed without the proposed event. Successful applications will clearly describe the strategy and tactics for delivering incremental room night sales, as well as the estimated resulting number of room night sales and resulting gross room revenue.

Decision Criteria

When considering applications, priority will be given to:

- Overall ROI.
- Events that occur during the low-travel season (aka 'off-peak') time of year. The SDTMD Executive Director can help you identify 'off-peak' dates.
- The opportunity to incubate NEW demand generating events and activities from concept to actualization.
- Incremental* hotel room consumption.
- Applicants who can quantify past successes.
- Special-need geographic locations within the *District*; i.e. generally, outside of the downtown core has greater value. The Board of Directors values geographic diversity as a means of balancing demand throughout the City of San Diego.
- Past contractor compliance history.
- Premier events that elicit prestige and enhance the reputation of San Diego as a "world-class, must-see" destination.
- Events that align with San Diego's Brand pillars: sports, outdoors, culinary, arts and entertainment.
- Events that generate national/international media coverage:

  Media Coverage of the event**

  - Network TV
  - Radio Broadcast
  - Cable Network
  - Live Streaming

  Media promoting the event***

  (which media outlets will promote viewership of the event?):

  - Network TV
  - Cable Network
  - Radio Broadcast
  - Print
  - Digital Channels
  - Social Platforms and Handles

* ***Incremental*** *hotel room consumption is the number of hotel room nights projected to be occupied beyond prior year average occupancy levels. 95% is considered to be the ceiling occupancy level. For example, if the event is over a Peak period that means the maximum potential incremental hotel room consumption is 5 points of occupancy.*

** *Provide media markets, air dates, air times, projected ratings, impressions/circulation and audience demographics.*

*** *Provide media schedule including media markets, dates, times, impressions/circulation and audience demographics.*

Determining ROI

All successful applicants for funding must clearly demonstrate a measurable *ROI* based on room revenue for the program they propose. ROI projections in the application will be assessed by an independent 3rd party to ensure reasonableness. All *ROI* results will be calculated following the event or program by a third-party entity funded by the SDTMD.

FUNDING ELIGIBILITY

Track Record: An applicant must have demonstrable history of successful, ongoing programming or business performance prior to submitting an application. However, the Board also embraces new events and will consider a thoughtful business plan and credible articulation of the future potential of a new event. This is the incubator genre of applicant previously described.

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 to the assessed hotels within the City of San Diego.

Compliance: Former contractors of the City of San Diego and/or SDTMD must have submitted acceptable deliverables on any completed contract and be in good standing with the City of San Diego and/or SDTMD.

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.

FUNDING LIMITATIONS

- SDTMD assessment funds *cannot be used* for alcoholic beverages.
- 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 *cannot be funded*.
- The closing, opening, widening or narrowing of existing or new streets *cannot be funded*.
- 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 *cannot be funded*.

- Regular public safety and security personnel and programs, maintenance and repair, sanitation, nor other municipal services normally and historically provided by the *City cannot be funded*.
- Expenditures inconsistent with the terms of the DMP *cannot be funded*.
- Political candidate or ballot initiative activity *cannot be funded*.

ADDITIONAL REQUIREMENTS

Insurance: All SDTMD contractors shall comply with the City's insurance requirements for the term of the Agreement.

a) **Commercial General Liability (CGL)** Insurance which shall cover liability arising from any and all personal injury or property damage in the amount of $2 million per occurrence and subject to an annual aggregate of $4 million. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

b) **Automobile Liability Insurance,** providing coverage for all bodily injury and property damage, with a limit of at least $1 million per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) on the Premises; and

c) **Worker's Compensation Insurance**, as required by the laws of the State of California for all Contractors' employees who provide services under the SDTMD funding grant with a limit of at least $1 million.

Certificate of Good Standing: Applicants must be in good standing with the Secretary of State and Franchise Tax Board. All required filings must be current and the status of the business/corporation must be active. "Active" status means that your corporation has not been dissolved, suspended, surrendered or forfeited. For more information concerning Certificates of Good Standing, contact (619) 525-4113 or online at: www.ss.ca.gov/business

Attachment 5

FY2022 Application Form Sample

10 Pages

Application Types:

1) GENERAL APPLICANTS: Most applicants will file this application. The SDTMD Fiscal Year 2022 is the same as the City of San Diego: July 1, 2021 through June 30, 2022. All organizations applying for funding for this period must have their application completed and submitted electronically by 5:00 p.m. on **Friday, November 13, 2020**. Applications received after the deadline will not be accepted for annual funding requests.

2) DESTINATION MANAGEMENT ORGANIZATION (DMO) FUNDING APPLICATION: The SDTMD Fiscal Year 2022 is the same as the City of San Diego: July 1, 2021 through June 30, 2022. All DMO organizations applying for "annualized" funding must have their application completed and submitted electronically by 5:00 p.m. on **Friday, January 22, 2021**. Applications received after the deadline will not be accepted for annual funding requests.

3) SUPPLEMENTAL FUNDING APPLICATION: After all Annual Funding Programs have been reviewed and allocated by the SDTMD Board and if SDTMD funds are available, organizations may apply for supplemental funding such as a single event or a specialized sales/marketing program. All supplemental proposals are required to follow the SDTMD application format and submit to the SDTMD at least one month in advance of the next regularly scheduled Board of Directors Meeting, unless directed otherwise by the SDTMD Board or staff. It is required that a preliminary discussion with the Executive Director is scheduled prior to the submittal of any Supplemental application.

Click here to view application guidelines.

IMPORTANT DOCUMENTS FOR SUBMISSION:

Please download the following templates, then populate, then upload with your application in the appropriate section.

Exhibit B Budget Template, Budget Template Instructions and Glossary (for your reference)

Exhibit D Personnel Schedule

Organization Info

Organization Name: *

Mailing Address: *

Telephone:

Website:

Primary Contact Information

Name: *

Title: *

Telephone:

Email: *

EXHIBIT A: Overview

Tell us about your event. Please address these categories: What is it? Where is it? When is it? Who participates? Why do people participate? How does the event actually work? (Flow, logistics, management, etc.)

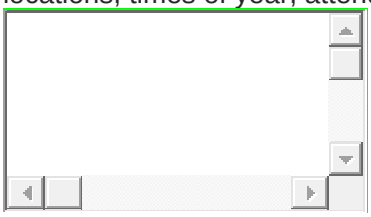
Tell us about your event and why it will be successful

Word Count: **0 / 750**

Does this event have a verifiable history? Please address past event locations, times of year, attendance, room nights, etc. (The more information the better here.)

Word Count: **0 / 750**

Does this event have comparable events that our analysts and board can consider when assessing the likelihood of the proposed event achieving your forecast? What are those events and their event locations, times of year, attendance, room nights, etc.?



Word Count: **0 / 750**

Please summarize your event's marketing plan. Also, please address these questions: What is your intended use of TMD funds? What part of your marketing plan/spend is targeted at out of town visitation? How will you drive visitation to TMD member hotels?

Tell us about your marketing plan, specifically explaining how you draw out of town visitors to SD for overnight stays in TMD hotels

Word Count: **0 / 750**

*Remember, success is defined one way: generates the consumption of incremental** paid guestrooms in hotels larger than seventy (70) rooms in the City of San Diego.

**Incremental: relating to or denoting an increase or addition that the guestroom would go empty otherwise.

1) Is your organization a non-profit organization? *

Yes

No

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

Closing Date of Applicant's Most Recently Completed Fiscal Year: *

EXHIBIT B: Detailed Budget

Please scroll up to the top of the page under important documents to download the Budget template. Upon filling out the budget template please re-upload it here:

Detailed Budget (Excel format)

Select a file

EXHIBIT B1: TMD Budget

Please use the budget template completed in Exhibit B and input TMD funded portion budget data:

TMD Budget and Line Item Narrative

Total Program Budget (including TMD Request)

$

Total TMD Funded Portion (SDTMD Funds Requested)

$

Total Organizational Budget (If Part 2 Completed)

$

Revenue (TMD Funded Portion)

$

Direct Expenses

Advertising

$

Line Item Narrative

Advertising Agency Fees

$

Line Item Narrative

Bid Fees/Team Payouts

$

Line Item Narrative

Dues/Subscriptions (direct only)

$

Line Item Narrative

Entertainment

$

Line Item Narrative

Event Registration Fees

$

Line Item Narrative

Lead Generation Fees

$

Line Item Narrative

Marketing Materials/Promotional Items

$

Line Item Narrative

Meals

$

Line Item Narrative

Outside Contractors

$

Line Item Narrative

Personnel Benefits (non-exec/non-admin)

$

Line Item Narrative

Personnel Salaries and Wages (non-exec/non-admin)

$

Line Item Narrative

Rentals - remote office

$

Line Item Narrative

Research

$

Line Item Narrative

Sales Commission

$

Line Item Narrative

Special Event Production

$

Line Item Narrative

Sponsorship

$

Line Item Narrative

Trade Show Expenses

$

Line Item Narrative

Training

$

Line Item Narrative

Travel

$

Line Item Narrative

Total Direct Expenses

Total Indirect Expenses (If Part 2 Completed)

$

Total Expenses

Net Income (loss)

EXHIBIT C: Return On Investment (ROI) Forecast

All ROI results for awarded SDTMD funds will be subject to a third-party audit conducted during the event or promotion.

Calculation

A: SDTMD Funds Requested: (From Exhibit B)

$

Non-TMD Funded Portion: (From Exhibit B)

$

Date Of Event Or Promotion:

Date Of Event Or Promotion:

Date Of Event Or Promotion:

Number Of Years The Event/Program Has Been In Operation:

B: Projected Average Daily Rate (ADR) For Event Or Promo Dates*

$

*Please Contact TMD Executive Director For Your Event's ADR Assignment. If you have known contracted room rates for your event, you may use those.

C: Historic Number of Room Nights Generated by Program/Event/Promotion

D: Total Estimated Historic SDTMD Room Revenue @ above ADR (BxC = D)

E: Projected Number Of New SDTMD Room Nights Generated Due To Proposed Use Of SDTMD Funds (From Exhibit A).

F: Total Estimated New SDTMD Room Night Revenue Generated @ Above ADR (BxE = F)

Return On Investment in New SDTMD Room Revenue: Total New SDTMD Room Revenue Generated: SDTMD Funds Requested. (F/A :1)

G: Total Estimated SDTMD Room Nights (combined) (C+E =G)

H: Total Estimated SDTMD Room Revenue (Combined) (BxG = H)

Total Impact Return On Investment: Total SDTMD Room Revenue Generated: SDTMD Funds Requested (H/A :1)

EXHIBIT D: Personnel Schedule

Personnel Schedule
The purpose of this form is to list the positions being requested for 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.
File Upload

Select a file

EXHIBIT E: Audit Compliance Acknowledgement

Contractors receiving $75,000 or more in 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 and 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:

EXHIBIT F: Accounting Compliance Acknowledgement

- 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.

I have read and understand the Accounting Compliance Acknowledgement:

☐ Confirm

SDTMD Contract Budget
Exhibit B

Organization Name _____ **Date** _____

Total TMD Contract Funds -

	TMD					Non-TMD	
	Targeted Marketing and Sales Programs	Destination Marketing	Total - TMD Contract Amount	Non-assessment funded portion	Total Event Budget		Total Organizational Budget
Revenue	-	-	-	-	-	-	-
Direct Expenses							
Advertising	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Advertising Agency Fees			-	-	-	-	-
Bid Fees/ Team payouts			-	-	-	-	-
Dues / Subscriptions / Memberships			-		-		-
Entertainment			-		-		-
Event Registration Fees			-		-		-
Lead Generation Services	-		-		-		-
Marketing Materials & Brochures			-	-	-		-
Meals			-		-		-
Outside Contractors			-		-		-
Personnel Benefits			-		-		-
Personnel Salaries and Wages			-		-		-
Promotional Items			-		-		-
Rentals - booth space			-		-		-
Rentals - remote sales office			-		-		-
Research	-		-		-		-
Sales Commissions			-		-		-
Special Event Production			-	-	-		-
Sponsorships			-		-		-
Trade Show Expenses			-		-		-
Training			-		-		-
Travel			-		-		-
Total Direct Expenses	-	-	-	-	-	-	-
Indirect Cost Allocation (from worksheet)	-	-	-	-	-	-	-
Total Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss)	-	-	-	-	-	-	-
Percent revenue coverage			#DIV/0!	#DIV/0!	#DIV/0!		

SDTMD Contract Budget
Exhibit B

Targeted Marketing and Sales programs include:
- Hotel 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

Attachment 6

FY2022 SDTMD Corporation Directors Ranking of Applications Summary

1 Page

SDTMD Director Ranking Sheet
FY2023 Annual Funding Applications

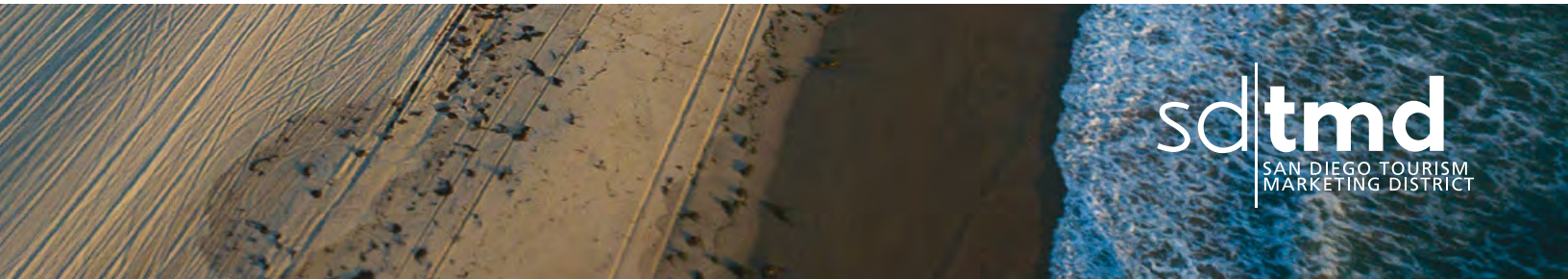
SDTMD Committee Ranking Order:																
FY 2023 ANNUAL FUNDING APPLICATIONS														Distributable Funds	35,553,621		35,553,621
														Release of O/C reserve 2nd district	2,031,963	45,000	2,076,963
															37,585,584		37,630,584
APPLICANT	**ROI**	Amount Requested	BARTELL	BROWN	SOOD	BUTLER	COWAN	HERMES	SHOEMAKER	TERZI	TUROWSKI	Total	Rank Order	Recommended Amount FY23	Revisions approved 4/8/22	Final approved 4/8/22
SAN DIEGO BOWL GAME ASSOCIATION - SPORTS SAN DIEGO - PREVIOUSLY APPROVED	**14.6**	$ 400,000												400,000	440,000	840,000
SAN DIEGO TOURISM AUTHORITY	23.49	$ 34,968,499	1	1	1	1	1	r	1	1	1	8	1.00	34,968,499		34,968,499
THUNDERBOATS UNLIMITED - SAN DIEGO BAYFAIR	31.11	$ 120,000	6	2	2	2	2	r	3	2	2	21	2.63	120,000		120,000
CALIFORNIA POLICE ATHLETIC FOUNDATION	28.48	$ 70,000	7	3	3	3	4	r	2	3	3	28	3.50	70,000		70,000
CALIFORNIA STATE GAMES - 2022 SUMMER GAMES	19.69	$ 100,000	8	4	4	7	5	r	4	8	4	44	5.50	100,000		100,000
WORLD LACROSSE CHAMPIONSHIP	12.72	$ 130,000	4	7	8	5	11	r	7	10	11	63	7.88	130,000		130,000
FAST FORWARD FUTURES/SAN DIEGO BAY WINE & FOOD FESTIVAL	11.81	$ 74,500	3	11	14	4	10	r	5	4	14	65	8.13	74,500		74,500
ECNL GIRLS PLAYOFFS - MAVERICK SPORTS TRAVEL	16.72	$ 180,000	13	6	6	16	6	r	8	5	6	66	8.25	180,000	(180,000)	-
TRANSPLANT LIFE FOUNDATION	16.72	$ 100,000	10	5	5	18	8	r	6	9	9	70	8.75	100,000	(100,000)	-
SAN DIEGO BOWL GAME ASSOCIATION - HOLIDAY BOWL	9.99	$ 435,000	2	14	9	6	3	r	11	11	15	71	8.88	435,000		435,000
ECNL GIRL'S SHOWCASE FALL 2022 - MAVERICK SPORTS TRAVEL	13.05	$ 80,000	14	8	7	14	7	r	9	6	7	72	9.00	80,000	(80,000)	-
ECNL BOY'S SPRING SHOWCASE 2023 - MAVERICK SPORTS TRAVEL	12.03	$ 80,000	15	10	10	15	9	r	13	7	8	87	10.88	80,000	(80,000)	-
SAN DIEGO CREW CLASSIC	11.29	$ 125,500	12	13	11	9	12	r	10	20	13	100	12.50	125,500		125,500
WONDERLUST EVENTS LLC	8.9	$ 250,000	11	17	12	10	14	r	15	12	16	107	13.38	250,000		250,000
OLD TOWN CHAMBER OF COMMERCE	11.55	$ 25,710	19	12	13	17	13	r	12	17	12	115	14.38	25,710		25,710
CALIFORNIA STATE GAMES - 2023 WINTER GAMES	6.95	$ 60,000	9	21	18	8	20	r	19	19	5	119	14.88	60,000		60,000
MAVERICK SPORTS - SURF COLLEGE CUP (DECEMBER)	7.45	$ 55,000	17	15	15	12	17	r	16	14	19	125	15.63	55,000		55,000
SAN DIEGO DIPLOMACY COUNCIL	14.3	$ 45,000	22	9	20	20	16	r	14	18	10	129	16.13	-	45,000	45,000
ECOTREK	8	$ 171,875	5	18	21	22	15	r	22	13	18	134	16.75	171,875		171,875
MAVERICK SPORTS - SURF CUP CHALLENGE (MLK)	7.32	$ 55,000	18	16	16	13	18	r	17	16	20	134	16.75	55,000		55,000
LEGIT RARE FOOTBALL/ALL AMERICAN CHAMPIONSHIP	8.4	$ 74,500	21	20	19	11	19	r	18	15	17	140	17.50	74,500		74,500
GATOR BY THE BAY	4.68	$ 70,000	16	19	17	19	22	r	20	22	22	157	19.63	-		-
ACCESS YOUTH ACADEMY	5.07	$ 30,000	20	22	22	21	21	r	21	21	21	169	21.13	30,000		30,000
		37,700,584	253	253	253	253	253	0	##	##	253	###		37,585,584	45,000	37,630,584

Attachment 7

SDTMD Corporation Annual Report for FY 2021 July 1, 2020 – June 30, 2021

16 Pages

2021 ANNUAL PERFORMANCE REPORT



sd|tmd
SAN DIEGO TOURISM MARKETING DISTRICT

Resilience & Recovery

TABLE OF CONTENTS

Executive Message	3
How SDTMD Makes an Impact	4
SDTMD Key Milestones	4
Global Pandemic Continues to Disrupt Tourism	5
COVID-19's Impact on San Diego's Tourism Economy	7
Contractor Performance & Impact	8
San Diego Tourism Authority Program Highlights	9
Board of Directors	11
Financial Report	12

Delivering the quality service our guests have come to expect, considering the limited resources and uncertainty of staffing levels, was our largest challenge. We overcame this through leveraging both technology and the pure talent and adaptability of our most precious asset, our team.

STEVE COWAN
General Manager,
Hilton San Diego Bayfront

COVID-19 brought challenges like we've never seen before. Tourism is my livelihood. Being able to provide an awesome guest experience makes my day as well as provides an income. With fewer people traveling, it had a big financial impact on me and my family in terms of lost wages. We had to cut costs where we could. Fortunately, the vaccine was a major key in moving forward safely in this industry and getting back to work.

MARC HOLT
Doorman,
Omni Hotel San Diego

When we canceled the event in 2020, the fans were angry and disappointed. I don't believe they understood the seriousness of the ongoing pandemic or the fact we could not get permits to operate. The fact that Bayfair is an outdoor event was a huge factor in deciding to push forward with the event in 2021.

GREGG MANSFIELD
Director,
San Diego Bayfair

Resilience and Recovery in the Age of COVID-19

Message from the Board Chair and Executive Director

No other sector was more decimated by COVID-19 than tourism. During the depths of the pandemic this last year, tourism was essentially shut down except for essential workers.

Not only did San Diego witness devastating job losses, but it is estimated that transient occupancy tax (TOT) collections sustained losses of over $190 million due to hotel shutdowns caused by the pandemic. Paid by the visitor for each room night consumed, TOT generates valuable revenues for the city's general fund to support everything from homeless solutions, parks and libraries to public safety and road repair.

If there's a silver lining, it's that since reopening for leisure tourism in the spring of 2021, San Diego has been leading the nation in tourism recovery. For the people working to sustain San Diego's tourism industry and the thousands of livelihoods it supports, this rebound is no accident.

For 13 years, the San Diego Tourism Marketing District (SDTMD) has overseen dedicated tourism marketing dollars collected from its member hotels to keep our local tourism economy healthy by increasing overnight hotel stays. In Fiscal Year 2021, these dollars ensured San Diego Tourism Authority (SDTA) could continue to engage with audiences with appropriate messaging throughout the shutdown and launch a highly strategic marketing campaign upon reopening.

By contrast, other destinations like Anaheim, Los Angeles and San Francisco saw marketing dollars evaporate and were forced to go dark. As a result, San Diego not only stayed top of mind with its audiences but also maintained market share and is now a step ahead of the competition in the recovery effort.

According to STR reporting, San Diego has ranked in the top three U.S. travel destinations and the first in the western region through Labor Day 2021. July 2021 was one of San Diego's strongest months on record— ever.

Despite these positive outcomes, San Diego's tourism economy cannot fully recover until the return of group meetings, events and conventions. There is still work to be done, and, as always, SDTMD's board of directors remains steadfast in its mission to invest marketing dollars for greatest return.

For now, thanks to SDTMD's prudent planning, San Diego is at least outpacing other popular destinations and growing its market share for the benefit of the people who live and work in America's Finest City.

Sincerely,

Richard Bartell
CHAIRPERSON

Colleen Anderson
EXECUTIVE DIRECTOR

How SDTMD Makes an Impact

Established in 2008, the San Diego Tourism Marketing District (SDTMD) is a Tourism Improvement District serving all areas within the City of San Diego. SDTMD allows lodging businesses within the City of San Diego with 70 rooms or more to collectively support marketing efforts to increase tourism in the City, which in turn increases hotel room night stays and, therefore, increases transient occupancy tax (TOT) revenue back to the City. Through this model, the tourism marketing district creates a true economic engine for the City and the region as a whole.

SDTMD Key Milestones:

JANUARY 2008 — Collection of SDTMD assessments begins.

DECEMBER 2015 — SDTMD funded Destination Master Plan, Experience San Diego, complete.

AUGUST 2016 — City approves district modification to assess properties of 70 rooms or more.

JUNE 2019 — City collects a record of $249 million in TOT.

MARCH 2020 — Global coronavirus pandemic leads to tourism industry shutdown.

APRIL 2021 — San Diego reopens for leisure tourism.

How TMD Works

Overnight visitors come to the City.	They stay in a hotel.	A 2% assessment on each hotel room goes to TMD.	TMD funds San Diego Tourism Authority and other groups/ events.	That activity attracts more visitors, filling more TMD hotel rooms.	The City collects a 10.5% tax on those hotel rooms.	The tax pays for public safety, road repair and other City services.

Global Pandemic Continues to Disrupt Tourism

The coronavirus pandemic continued to disrupt tourism worldwide in FY21. With no vaccine available until second quarter of 2021, much of the world remained shut down to non-essential travel well into March 2021 and beyond. In the U.S., the country experienced a dangerous surge in virus transmission during the fall 2020 holidays that continued throughout winter. Many hotels remained closed, and a large number of employees continued to be furloughed or laid-off.

San Diego's Tourism Rebound Driven By Leisure

Welcome news arrived with the availability of approved COVID-19 vaccines in spring 2021. As vaccinations became widespread, the industry slowly reopened for leisure travel and was met with strong pent-up demand for travel from consumers.

Outdoor-oriented destinations easily accessible by car were perceived as among the safest travel options, which made San Diego especially attractive to leisure visitors. Hotel occupancy and average daily rate (ADR), particularly in the coastal areas, climbed in summer months despite no group and convention business. From reopening through Labor Day 2021, San Diego ranked third in the nation behind Oahu, HI and Norfolk, VA for hotel performance and was first in its western competitive set. July 2021 was one of San Diego's strongest months on record with a city-wide average occupancy of 78.9 percent and an ADR of $218. ADR continued to climb and, for the months of July through October 2021, finished higher than pre-pandemic levels.

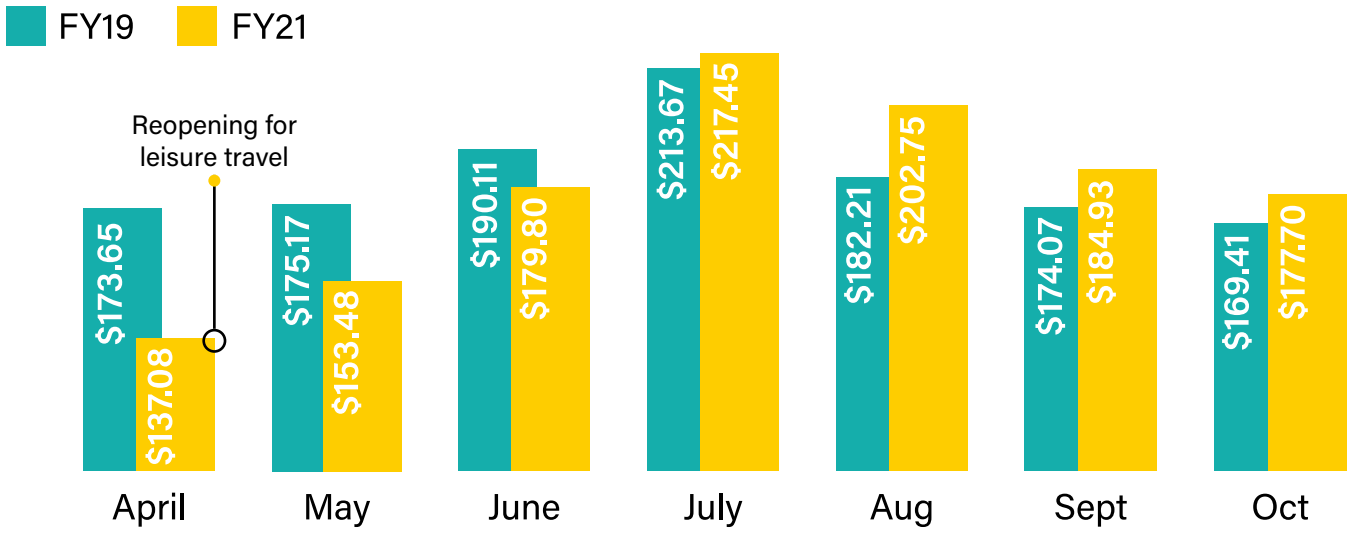
While TOT collections in FY21 were just 50 percent of FY19 collections, San Diego's market share index registered 3 percent above pre-pandemic levels, another indication that San Diego is above "fair share" when compared to key competitors.

Despite industry initiatives to demonstrate and support their safe return, in-person group meetings and events remained on pause throughout the fiscal year and prompted the cancellation or postponement of many high-profile events, such as Comic-Con, into FY22.

Overall, San Diego tourism finished FY21 with 16.3 million visitors, 37 percent below FY20 levels. Visitor spending was down 41 percent from FY20 at $5.2 billion and hotel occupancy averaged 50.9 percent, nearly 21 percent below the previous fiscal year.

ADR 2019 vs. 2021 (San Diego City Hotels)*

As leisure travel resumed in 2021, ADR quickly climbed to surpass pre-pandemic rates by July.



*as reported by SDTA

A Sunny Outlook for San Diego Tourism Predicted Post-Pandemic

Looking Ahead

While the leisure travel outlook remains strong, the return of conventions, meetings and events is crucial to San Diego's full tourism recovery especially during shoulder seasons. Fortunately, these events are slowly returning, especially events that take place outdoors such as athletic competitions and food and cultural festivals. Comic-Con held a smaller "Special Edition" version of its event in November 2021 that coincided with the opening of the new Comic-Con Museum in Balboa Park.

With more than 80 percent of eligible San Diego residents having received at least one or more doses of the coronavirus vaccine, leisure and business travelers are feeling more confident about gathering and traveling. Hotels, restaurants and other San Diego tourism businesses have aided this growing confidence by continuing to enforce protocols that emphasize safety, cleanliness, social distancing and outdoor experiences.

Despite these positive signs, recovery is predicted to be jagged due to headwinds the industry is facing. New strains of COVID-19, such as the Delta and Omicron variants, have had a negative impact on travel sentiment and encouraged many to postpone travel plans.

San Diego's hospitality businesses also continue to struggle with staffing issues, which have affected service levels, hours and available capacity. The temporary closures and furloughs that decimated the industry drove talent at all levels to seek opportunities elsewhere. What's more, the soft skills acquired through hospitality careers are in demand across many other industries from healthcare to senior living. Today, as San Diego's marketing dollars bring visitors back, the industry also needs to compete to attract and restore the passion and dedication of its tourism workforce.

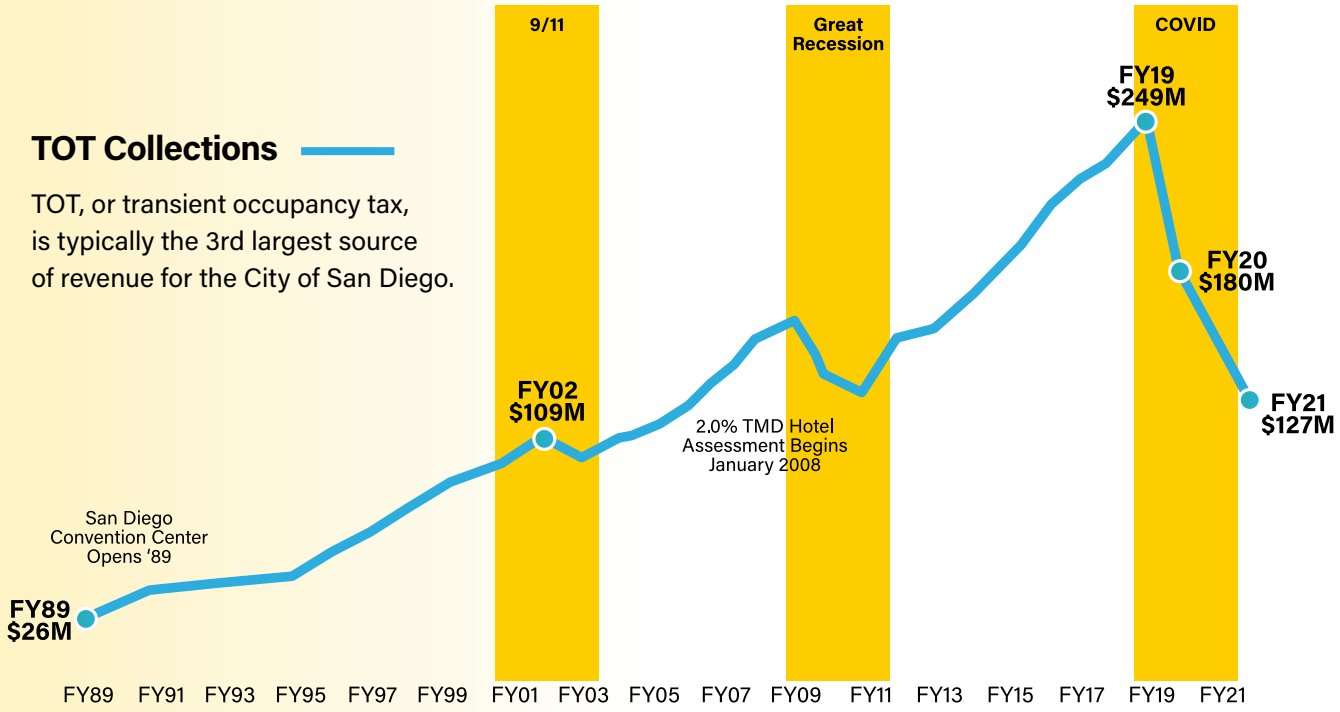
COVID-19's Impact on San Diego's Tourism Economy

Tourism Jobs

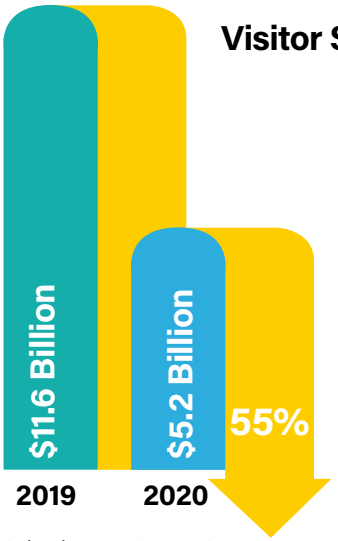
Prior to the pandemic, 1 in 8 jobs in San Diego were in tourism. In the accommodations sector alone, jobs were still down 27 percent as of August 2021.

TOT Collections

TOT, or transient occupancy tax, is typically the 3rd largest source of revenue for the City of San Diego.



Visitor Spending



Calendar Year. Source SDTA

Total Visitors

Calendar Year. Source SDTA

Contractor Performance and Impact

SDTMD provides funding to support the marketing and promotional efforts of a variety of organizations that help the City of San Diego maintain its status as a competitive, first-tier visitor destination with compelling events and programming. The funding of these competitively selected organizations by SDTMD has historically resulted in growth in hotel room nights and revenue, which is vital to the strength and success of the tourism industry in San Diego.

All contractors supported by SDTMD are required to have clearly defined marketing strategies and activities that complement and enhance San Diego's tourism brand. The funded programs and events must 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 SDTMD.

With the forced cancellation of group events in FY21 due to the pandemic, all available SDTMD funding was awarded to the San Diego Tourism Authority (SDTA), the City's Destination Marketing Organization of record. In a normal year, SDTA typically receives approximately 90 percent of SDTMD funding, with additional funds allocated to supporting independent events and programs that drive visitation and suggest San Diego TMD hotels.

About SDTA

SDTA is the primary sales and marketing engine for the San Diego region. As a sales and marketing organization, the main objective of 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 and is governed by a 15-member board of directors. The SDTA is nimble in the marketplace, and as market conditions shift, programs are updated to best capitalize on opportunities and maximize ROI.

SDTA FY21 ROI

Total Room Revenue From SDTMD Programs:
$590,722,816

Total Funding From SDTMD:
$20,955,905

Total ROI for FY21:
28.0:1

San Diego Tourism Authority Program Highlights

SDTA's marketing programs remained nimble in response to fluctuating pandemic conditions throughout FY21. With the reopening for leisure travel in summer 2020, the SDTA continued the popular Stay Diego promotion, working with media partners such as CBS8 and Univision to encourage San Diegans to stay, eat, drink, shop and play locally. Drive market campaigns ran through fall 2020 and returned as soon as stay at home orders lifted at the end of January 2021. Happiness is Calling You Back and San Diego is Open for Meetings were the primary campaigns encouraging travel recovery for the tourism community.

Stay Diego

- Targeted local audiences in San Diego and ran July-September 2020 and again February-March 2021
- Encouraged San Diegans to come together in support of the tourism community by booking a staycation to stimulate the tourism economy
- More than 13.9 million impressions were delivered locally through custom sponsored content, in-news content mentions, network taggable creative, premium homepage takeover placements and digital display advertising

Happiness is Calling You Back

- $13.3 million media campaign targeting premium drive markets in California and Arizona including Los Angeles, San Francisco, Sacramento and Phoenix
- Campaign included digital, TV, social and native advertising
- Media partners included Travel Zoo, Pandora, Condé Nast, ABC, Facebook, YouTube, Clear Channel, Priceline, Adara, LinkedIn, Google, Trip Advisor, Verizon and others

San Diego is Open for Meetings

- Supported direct sales for conventions and hotel meetings with new "Happiness Is" group meeting campaign
- Reinforced message that San Diego is safe and open for meetings and conventions

More details about SDTA programs can be found at **www.sandiego.org**

La Valencia closed for two months which was very hard. When we re-opened in late May, we were amazed at the response and business volume that returned quickly. Although nothing was normal, it was heartwarming to welcome back so many loyal customers who have considered La Valencia a comforting retreat for generations.

SUMMER SHOEMAKER
General Manager,
La Valencia Hotel

We canceled the event on October 22, 2020. In the 43-year history of the bowl game, it was the hardest decision our board of directors ever had to make. It was a sad day. The time and resources we'd normally spend preparing for the bowl game were redirected to establishing plans to attract more visitors to San Diego through sports.

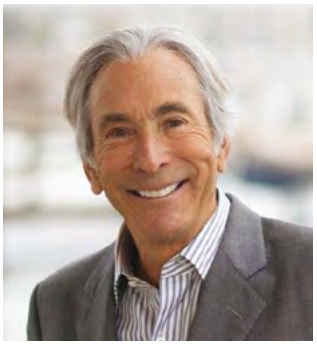
MARK NEVILLE
CEO,
San Diego Holiday Bowl

Canceling our event was nerve-wracking; we were anxious about the future of our organization and whether we could stay afloat. Unfortunately, we had to cut most of our staff to remain operational. We also simply felt sad that we could not put on the event for California's youth. We heard a lot of feedback from parents and coaches about the importance of youth and amateur sports for the sake of mental health.

MIKAELA NADOLSKI
Marketing/Social Media Manager,
California State Games

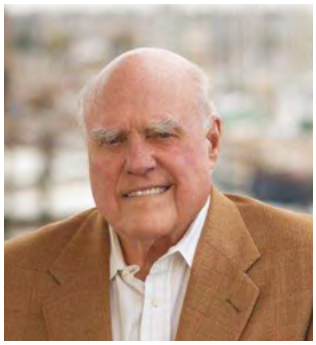
Board of Directors FY 2021

EXECUTIVE OFFICERS



Richard Bartell | **Chair**

President,
Bartell Hotels



C. Terry Brown | **Vice-Chair**

President,
Atlas Hotels

Tim Herrmann | **Secretary**

General Manager,
Marriott Marquis San Diego

Vikram Sood | **Treasurer**

SVP Operations,
Hostmark Hospitality Group

BOARD MEMBERS

Ilsa Butler

SVP Sales & Marketing,
Evans Hotels

Steve Cowan

General Manager,
Hilton San Diego Bayfront

Summer Shoemaker

General Manager,
La Valencia Hotel

Joe Terzi

Retired CEO,
San Diego Tourism Authority

Alyssa Turowski

General Manager,
Hilton La Jolla Torrey Pines

STAFF

Colleen Anderson

Executive Director

FY 2021 Financials

Statements of Financial Position For Years Ending June 30, 2021 & 2020*

ASSETS

Current assets	2021	2020
Cash	3,039,520	2,406,901
Accounts receivable	–	4,247
City holdbacks	12,154,814	18,918,259
Prepaid expenses	33,394	75,069
Accrued interest income	2,980	2,962
Advances to contractors	–	172,136
TOTAL CURRENT ASSETS	**15,230,708**	**21,579,574**

LIABILITIES & NET ASSETS

Current liabilities		
Accounts payable	1,455,678	247
Deferred revenue	11,658,210	2,902,717
Indemnification, reserve current	–	16,861,540
Total current liabilities	**13,113,888**	**19,764,504**
Net assets		
Net assets without donor restrictions	2,116,820	1,815,070
Total net assets	**2,116,820**	**1,815,070**
TOTAL LIABILITIES & NET ASSETS	**15,230,708**	**21,579,574**

Statements of Activities For Years Ending June 30, 2021 & 2020*

REVENUE & SUPPORT

	2021	2020
Tourism Marketing District revenue	21,933,500	38,516,633
Interest income	264,530	626,920
Other income	80,362	66,691
TOTAL REVENUE & SUPPORT	**22,278,392**	**39,210,244**

EXPENSES

Program services		
Allocations to contractors	20,955,905	37,254,176
TOTAL PROGRAM EXPENSES	**20,955,905**	**37,254,176**

SUPPORT SERVICES

Management & general		
SDTMD operations	706,064	928,638
Administrative fee to the City of San Diego	314,673	429,563
TOTAL SUPPORT SERVICES EXPENSES	**1,020,737**	**1,358,201**

Increase net assets without donor restrictions	301,750	597,867
Net assets, beginning of year	1,815,070	1,217,203
Net assets, end of year	2,116,820	1,815,070

* Further detail on the SDTMD Corporation's audited financials can be obtained from our website at sdtmd.org.

sdtmd SAN DIEGO TOURISM MARKETING DISTRICT

The San Diego Tourism Marketing District (SDTMD) is a city-wide Tourism Improvement District encompassing all areas within the city limits of the City of San Diego.

This report was funded by the San Diego Tourism Marketing District Corporation with City of San Diego Tourism Marketing District assessment funds.

San Diego Tourism Marketing District | 750 B Street, Suite 1500 | San Diego, CA 92101 | 619.557.2854 | **www.sdtmd.org**

Attachment 8

FY2022 Interim Report of Activities Summary

7 Pages

San Diego Tourism Marketing District

FY2022 Interim Report of Activities

(July 1, 2021 – February 28, 2022)

Establishment

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

Agreement effective July 1, 2020 through June 30, 2030 approved by Ordinance No. O-21202.

Advisory Board: San Diego Tourism Marketing District (SDTMD)
750 B Street
San Diego, CA 92101
(619) 557-2854 **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:

Applied to Assessable Rent of qualifying lodging businesses.
Lodging businesses with 70 or more rooms assessed at a total rate of 2%

FY2022 TMD Budget Summary

Pursuant to San Diego Tourism Marketing District Management Plan

ORIGINAL CALCULATION OF AVAILABLE TMD FUNDS FOR FY2022

Projected Assessments	$	26,668,897
Projected carryover –prior years		12,588,954
Projected Interest and Penalties		50,000
Contributions from Other Sources of Funding:		0
Total FY2022 Funds Available	**$**	**39,307,851**

PROPOSED ACTIVITIES FOR FY2022

(Pursuant to San Diego Tourism Marketing District Management Plan August 2016)

Targeted Marketing and Sales Programs	$	13,705,390
Destination Marketing		12,997,999
*Distributable funds (TBD)		1,000,000
Sub-Total Marketing and Sales	**$**	**27,703,389**
SDTMD Administration & Operations	$	1,859,732
City Administration	$	263,300
Sub-Total Administration	**$**	**2,123,032**
Opportunity/Catastrophe Reserve	$	9,481,430
Total for Proposed Activities	$	39,307,851

During the year actual assessments collected to date have exceeded projected assessments by $6,666,149 ($6,466,164 allocated to opportunity/catastrophe reserve and 3%, $199,984, allocated to Operations). In addition, the board of directors authorized additional release of opportunity/catastrophe reserve to fund supplemental requests as well as approved to modify or defund previously approved entity/events resulting in an overall decrease in proposed targeted marketing and sales programs of $173,400. These changes resulted in a significant projected carryover to FY23 as described below:

Original Opportunity/Catastrophe reserve	$9,481,430
Increase due to revised targeted marketing and sales activities	173,400
Increase due to actual assessments over projected year to date	6,466,164
Increase due to actual FY21 carryover over projected	523,097
Projected FY22 Opportunity/Catastrophe carryover	$16,644,091

FY2022 Allocations

Per the FY2022 Application Guidelines, the deadline for the annual Applications was November 13, 2020 however, due to the uncertainty around the COVID-19 pandemic and the impact of projected assessments, consideration and approval of submitted FY2022 competitive applications was tabled until June 2021. In April 2021, the FY2022 recommended allocations to other entities totaled $27,703,389 which comprised $26,703,389 approved for San Diego Tourism Authority and $1,000,000 set aside for competitive applications.

In June 2021, all submitted competitive applications were reviewed, ranked, and allocations recommended. Ranking factors included time of year, new versus existing rooms, and potential for growth. $1,278,000 was allocated to competitive applications utilizing the $1,000,000 distributable funds set aside and $278,000 of opportunity/catastrophe reserve.

ENTITY/EVENT	ORIGINAL	REVISED	NON-TMD
San Diego Tourism Authority	$26,703,389	$26,253,389	$ 3,245,291
*Distributable Funds (TBD)	1,000,000	--	
Best Coast Beer – Fest		70,000	380,000
Cal. Police Athletic Federation – U.S. Championships		51,500	411,500
California State Games – Summer		80,000	358,000
California State Games - Winter		50,000	122,500
La Jolla Historical Society – Concours D'Elegance		60,000	755,000
San Diego Bayfair - Thunderboats		95,000	385,000
San Diego Bowl Game Assoc– Holiday Bowl		230,000	7,786,000
San Diego Crew Classic - Spring		116,500	710,350
San Diego Bay Wine & Food Festival		74,500	946,000
ECNL Girls Fall Showcase		74,500	307,830
ECNL Boys Fall Showcase 2022		74,500	307,830
Maverick Sports – December Youngers		45,000	178,000
San Diego Bowl Game Assoc – Sports San Diego		255,100	18,695
TOTAL	**$27,703,389**	$27,529,989	15,911,996

FY2022 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, 2022)

A. San Diego Tourism Authority (SDTA): $26,253,389

Return on Investment (ROI)-projected:

- 4,330,000 total hotel room nights
- 623,520,000 Room revenue @ $144 ADR
- 23.75 ROI

Actual FY2022 ROI Q1 &Q2:

- Campaigns running through Q2 of FY2020
- Citywide Group Sales @ 46% to FYTD goal
- Hotel Sales Division @ 107% to FYTD goal

B. Best Coast Beer Fest $70,000

Event was cancelled.

C. California Police Athletic Federation $51,500

Return on Investment (ROI)-projected:

- 8473 total hotel room nights
- $1,652,235 @ $195 ADR
- 32.08 ROI

Actual FY 2022 ROI Q1 &Q2:

- This program occurs in Q4 FY 22

D. California State Games (Summer) $80,000

Return on Investment (ROI)-projected:

- 12,200 total hotel room nights
- $2,110,600 @ $173 ADR
- 26.38

Actual FY 2022 ROI Q1 &Q2 (Summer Games Only)

- 4,360 total hotel room nights
- $1,048,885 @ $240 ADR
- 13.1:1 ROI

E. California State Games (Winter) $50,000

Return on Investment (ROI)-projected:

- 3100 total hotel room nights
- 430,900 @ $139 ADR
- 8.6:1 ROI

Actual FY 2022 ROI Q1 &Q2:

- Winter Games programs occur Q3 FY 22.

F. La Jolla Historical Society – Concors D'Elegance $60,000

Return on Investment (ROI)-projected:

- 1750 total hotel room nights
- $453,250 @ $259 ADR
- 7.5:1 ROI

Actual FY 2019 ROI Q1 &Q2:

- This program occurs in Q4 FY 22

G. Thunderboats/San Diego Bayfair $95,000

Return on Investment (ROI)-projected:

- 17,348 total hotel room nights
- $3,278,772 @ $180 ADR
- 34.51 ROI

Actual FY 2022 ROI Q1 &Q2:

- 13,539 total hotel room nights
- $2,373,212 @ $175 ADR
- 25:1 ROI

H. San Diego Bowl Game Assoc. – Holiday Bowl $415,000 reduced to $230,000

Return on Investment (ROI)-projected:

- 23,000 total hotel room nights
- $4,117,000 @ $179 ADR
- 9.92:1 ROI

Actual FY 2022 ROI Q1 &Q2:

- 15,422 total hotel room nights*
- $2,683,428 @ $174 ADR
- 11.67:1 ROI*

* The Holiday Bowl game was cancelled on the day of the event due to Covid-19 concerns from UCLA.

I. San Diego Crew Classic $116,500

Return on Investment (ROI)-projected:

- 6777 total hotel room nights
- $1,321,515 @ $195 ADR
- 11.3:1 ROI

Actual FY 2022 ROI Q1 &Q2:

- This program occurs in Q4 FY 22

J. San Diego Bay Food & Wine Festival $48,074

Return on Investment (ROI)-projected:

- 23,000 total hotel room nights
- $4,117,000 @ $179 ADR
- 9.46 ROI

Actual FY 2022 ROI Q1 &Q2:

- 3,217 total hotel room nights
- $755,913 @ $235 ADR
- 15.7 ROI

K. ECNL Girls Fall Showcase $74,500

Return on Investment (ROI)-projected:

- 5,000 total hotel room nights
- $850,000 @ $170 ADR
- 11:1 ROI

Actual FY 2022 ROI Q1 &Q2:

- 4405 total hotel room nights
- $744,445 @ $169 ADR
- 9:1 ROI

L. ECNL Boys Fall Showcase 2021 $74,500

Return on Investment (ROI)-projected:

- 6000 total hotel room nights
- $1,020,000 @ $170 ADR
- 13:1 ROI

Actual FY 2022 ROI Q1 &Q2:

- 2,855 total hotel room nights
- $488,205 @ $171 ADR
- 6:1 ROI

M. Maverick Sports – ECNL December Youngers $45,000

Return on Investment (ROI)-projected:

- 2,000 total hotel room nights
- $318,000 @ $159 ADR
- 7:1 ROI

Actual FY 2022 ROI Q1 &Q2:

- 1010 total hotel room nights
- $160,590 @ $159 ADR
- 3:1 ROI

N. San Diego Bowl Game Association – San Diego Sports $255,100

Return on Investment (ROI)-projected:

- 25,000 total hotel room nights
- $4,175,000 @ $167 ADR
- 16.36 ROI

Actual FY 2022 ROI Q1 &Q2:

- 7404 total hotel room nights
- This program is on-going ROI will be calculated at year-end