sdtmd
SAN DIEGO TOURISM MARKETING DISTRICT

San Diego Tourism Marketing District

Report of Activities for FY2025

May 22, 2024

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 26**

San Diego Tourism Authority
Sports San Diego
Thunderboats Unlimited/San Diego Bayfair
Fast Forward Futures
La Jolla Historical Society
California Police Athletic Federation
San Diego Crew Classic
Wonderfront
Del Mar Food and Wine Festival, LLC
Southern California Tennis Assoc.
San Diego Diplomacy Council
Youth Tennis San Diego
Youth Tennis San Diego
Visual Media Group
San Diego Bayfest

Administration **Page 40**

Opportunity & Catastrophe Reserve **Page 41**

Attachments

1. **San Diego Tourism Marketing District Corporation (4 pages)** **Page 44**
2. **Management Plan Highlights (4 pages)** **Page 49**
3. **Funding Cycle for FY2025 (1 page)** **Page 54**
4. **Key Elements of the Application Guidelines and Requirements FY2025 (4 pages)** **Page 56**
5. **Sample Application for FY2025 (10 pages)** **Page 61**
6. **FY2025 SDTMD Corp. Directors Ranking of Applications Summary (1 page)** **Page 73**
7. **SDTMD Corp. Milestone Report – FY2023 (91 pages)** **Page 76**
8. **FY2024 Interim Report of Activities Summary (4 pages)** **Page 166**

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 FY2025 Report of Activities reflects the recommended allocations of assessments for FY2025; July 1, 2024 through June 30, 2025.

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 fewer 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

FY2025 Budget Total
Allocations of Estimated Tourism Marketing District (TMD) Funds: **$63,897,178**

Budget Summary

CALCULATION OF AVAILABLE TOURISM MARKETING DISTRICT FUNDS FOR FY2025

Projected Assessments	$ 47,270,481
Projected carryovers – prior years	16,626,697
Projected Interest and Penalties	--
Contributions from Other Sources of Funding*:	--
Total FY2024 Funds Available	**$63,897,178**

PROPOSED ACTIVITIES FOR FY 2025
(Pursuant to San Diego Tourism Marketing District Management Plan August 2016)

Targeted Marketing and Sales Programs	$ 24,132,697
Destination Marketing	26,789,595
Sub-Total Sales and Marketing	**$50,922,292**
SDTMD Administration & Operations	$ 1,790,488
City Administration	350,000
Sub-Total Administration	$ **2,140,488**
Administrative Reserve	**1,581,086**
Opportunity/Catastrophe Reserve	**9,253,312**
Total	**$63,897,178**

FY2025 Allocations

The FY2025 recommended allocations to other entities total $50,922,292

On March 8, 2024, submitted applications were reviewed, ranked, and allocations recommended. Ranking factors include time of year, new versus existing rooms, and potential for growth. The information below reflects the recommended amounts for FY2025.

ENTITY-EVENT	TMD FUNDS	NON-TMD FUNDS
San Diego Tourism Authority	$47,631,976	$4,725,822
Sports San Diego		
Holiday Bowl	400,000	8,295,405
Sports Commission	1,170,000	135,418
California State Games	220,000	540,000
Rady's Invitational	50,000	1,044,185
Total Sports San Diego	1,840,000	$10,015,008
Thunderboats Unlimited - San Diego Bayfair	200,000	113,653
Fast Forward Futures - San Diego Bay Wine and Food Festival	74,500	1,074,000
La Jolla Historical Society – Concours D'Elegance	74,500	908,800
California Police Athletic Federation – United States Police & Fire Championships	71,000	514,500
San Diego Crew Classic – 52nd SD Crew Classic	156,500	664,235
San Diego Bayfest – Mission Bayfest	122,500	1,867,100
Del Mar Food and Wine Festival	74,500	307,500
Southern California Tennis Association Fdn– USTA Billie Jean King Girls National Championships	65,000	285,000
San Diego Diplomacy Council – SDDC International Visitors Day	39,606	316,511
Youth Tennis San Diego -San Diego Open	163,200	1,366,800
Youth Tennis San Diego – USTA Adult National Championship	39,760	99,550
Visual Media Group – Day of the Dead Festival	69,250	152,800
San Diego Padres – World Baseball Classic	300,000	TBD
TOTAL	**$50,922,292**	**$22,411,279**

Non-TMD Fund portion to be submitted by contractor. Amounts are estimated based on original budget submission.

San Diego Tourism Authority
Budget Summary

Targeted Marketing and Sales Programs	
Wages, Taxes & Employee benefits	$ 4,006,873
Advertising	13,072,950
Dues/ Subscriptions/Memberships	300,075
Event registration fees	231,458
Lead generation services	127,611
Outside contractors	203,534
Rentals – remote space office	1,535
Research	261,607
Special event production	235,968
Sponsorships	205,920
Travel	174,257
Allocation of Indirect Costs	2,020,593
Total Targeted Marketing and Sales Programs	**$20,842,381**
Destination Marketing	
Wages, Taxes & Employee Benefits	$ 2,791,603
Advertising	14,573,075
Advertising agency fees	3,152,000
Dues/ Subscriptions/Memberships	52,555
Event registration fees	149,819
Marketing Materials & Brochures	1,970
Outside contractors	4,028,108
Research	246,251
Sponsorships	24,625
Trade Show Expenses	207,835
Travel	216,700
Allocation of Indirect Costs	1,345,054
Total Destination Marketing	**$26,789,595**
Total	**$47,631,976**

San Diego Tourism Authority
Program of Work

The San Diego Tourism Authority (SDTA) is San Diego's umbrella destination marketing organization, charged with driving visitor demand and monitoring the health of the 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 19-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, grants 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.

MISSION

To drive visitor demand to economically benefit the San Diego Region.

VISION

Leading San Diego to become the most desirable destination.

OUR COMMITMENT TO DIVERSITY, EQUITY, INCLUSION AND ACCESSIBILITY

In San Diego, we believe tourism is for all. SDTA is committed to creating an inclusive workplace and destination where everyone is welcome, valued and empowered to thrive.

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.

It is now four years since the onset of COVID-19 and the pandemic. The global economy has largely recovered and a new normal has set in for the travel industry. With vaccines and wider immunity in place, COVID has become endemic (much like the seasonal flu), and travel restrictions are no longer in place.

The U.S. travel industry began to recover in 2022 with the robust return of leisure travel, and in 2023 business travel including for meetings and conventions returned to near pre-pandemic levels.

Since 2019, our world has also experienced major upheavals that have pulled at the very fabric of our communities. War, economic downturns, poverty, social justice, immigration, culture wars and political unrest have created a new normal. The SDTA applied for a sub-grant from Visit California to do an update to the San Diego Tourism Destination Master Plan which was first created in 2014-2015. Through an extensive RFP process, Resonance Consultancy was selected to lead the San Diego community through a new 10-year San Diego Tourism Stewardship Plan. Resonance is a leading advisor in destination, economic and urban development for cities across the world. This vital work is just now beginning and will be completed by the end of 2024.

San Diego has weathered the past four years better than many destinations, but we know that we can't rest on our laurels. Our industry's future success depends on greater insight, vision, collaboration, and innovation. The goal for the new San Diego Tourism Stewardship Plan is to build in greater resiliency and sustainability for our community and industry.

Our Strategic Imperatives

- Grow 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.

San Diego Tourism Industry Performance

San Diego's tourism recovery continued in earnest in 2023 after a strong 2022, although the past year wasn't without its challenges. The region battled an unlikely foe at points in 2023: weather. Spring was especially gloomy, earning San Diego the dubious distinction of being the cloudiest city in the lower 48 states for the month of May. Moreover, the region became the target of a once-in-a-generation hurricane in August.

However, that is not to say that San Diego had a bad year by any stretch of the imagination. The region topped the 25 largest hotel markets in the U.S. in hotel occupancy in July, a first for the America's Finest City since data tracking began. Another positive development throughout CY 2023 was the return of Group and Business travel to the region. In fact, room night demand for Group and Contract business at upscale and upscale+ properties narrowly edged out that seen in 2019. This provided a vital backstop to market performance as the weather dampened leisure demand in the spring and parts of the fall.

All told, San Diego County properties sold 17.2 million hotel room nights, falling short of the 17.5 million expected in the January 2023 lodging forecast. Nonetheless, that was enough to drive 73.5% occupancy for the entire year, up from 72.6% in 2022 and placing San Diego third in the nation behind only New York (81.6%) and Oahu Island (79.6%). ADR grew 2.5% to reach $210 while RevPAR grew 3.8% to hit $154.

The number of visitors also continued to increase in 2023, and they've continued to spend. Through November, San Diego welcomed an estimated 29.2 million visitors, an 11% increase over the 26.3 million during the same time period in 2022. Those visitors spent an estimated $13.2 billion through November, a 4.4% increase over the same span the year before.

Those figures put us on track to end CY 2023 at 31.4 million visitors and $14.2 billion in direct visitor spending once December data are available. For comparison, the expected total for 2023 reflects about 3.7 million fewer visitors than in 2019 but would also mean a new record level of spending after the record $13.6 billion spent by visitors in 2022.

San Diego County Visitor Industry Indicator	CY 2023	% Change over same period 2022	% Change over same period 2019
Total Visitors to San Diego County	29.2 million (thru Nov 2023)	+11%	-9.5%
Total Visitor Spending	$13.2 billion (thru Nov 2023)	+4.4%	+23%
Leisure & Hospitality Employment	211,000 (Dec 2023)	+5.0%	+6.4%
Hotel Occupancy	73.5%	+0.9 ppt	-3.1 ppt
ADR	$209.94	+2.5%	+26%
RevPAR	$154.26	+3.8%	+21%

The Path Ahead

The travel recovery is poised to continue in 2024, though the risks have evolved over the past year.

Leading into 2023, the question seemed to be *when* not *if* a recession would materialize as the Fed aggressively hiked rates and consumers burned through savings amid stubborn inflation. However, the economy has remained remarkably resilient, and inflation has slowed precipitously. The U.S. jobs engine is humming along; job openings, though declining, are still more plentiful than they were before the pandemic, and wages have by and large kept pace with inflation while monthly job gains continue to beat consensus expectations.

Now, the question is whether or to what extent the economy could slow in 2024. More interesting is that it is uncertain if or how it could affect travel, particularly here in San Diego.

From a leisure standpoint, the risks are relatively muted. Travelers have seemingly reclassified travel as a necessary expense, potentially insulating industry from fluctuations in the economy. Even if the economy slows in 2024, a retrenchment in leisure travel is unlikely given the momentum in job creation and earnings growth in 2023 and the expectation that any layoffs would not be widespread across industries and occupations in 2024. Moreover, in San Diego, a slowing economy could lure more visitors from our neighboring cities as travelers in Los Angeles, San Bernardino,

Riverside, Las Vegas, and Phoenix possibly rethink their longer-haul trips and opt to stay closer to home as they have done in past downturns.

Business travel presents a bigger question mark. According to Morgan Stanley, an estimated $770 billion in corporate debt is set to mature in 2024 and will have to be refinanced at significantly higher rates. All else equal, this has the potential to squeeze corporate travel budgets, presenting a key downside risk to the outlook. The January 2024 forecast projects 1.4 million business transient room nights this year, a 4% increase over 2023; 4.9 million group room nights, a 3% increase over 2023; and roughly a half-million contract room nights, a 2% year-over-year increase. However, these forecasts could potentially be downgraded if incoming data falls short of current projections.

International travel will be the last segment to recover. Exceptionally long visa waits times and a strong dollar have done no favors for U.S. inbound travel. The U.S. government has put visa waivers into place, which will hopefully alleviate the backlog, but the U.S. dollar remains strong, making travel to the U.S. more expensive for international travelers. This lends considerable downside risk to the forecast for a full return of inbound international travel in 2024, particularly for San Diego where the return of APAC travelers will be key.

Taken together, the tourism recovery is expected to proceed at a measured pace in 2024 until economic and financial uncertainty has waned and wages have caught up to inflation over the past several years.

Travel Forecast updated January 2024 by Tourism Economics

- In the January 2024 visitor forecast, San Diego is expected to welcome 32.3 million visitors in 2024, a 2.7% gain from 2023. This reflects a 1% upgrade from our previous projection in August 2023. Year-to-date indicators through October 2023 suggest San Diego total visits are on path to recover to 90% in calendar year 2023, and spending to 122% of the 2019 pre-pandemic levels. A full recovery in visitation is not expected over the forecast horizon; spending growth is expected to moderate and return to a historical average of around 3% annual growth. That said, visitors have tended to stay longer in-market, which provides the basis for a more robust hotel sector recovery despite fewer unique guests in-market.

- In the hotel sector, room demand recovered to 97% of its 2019 level, enough to raise occupancy by nearly a point to 73.5% in 2023 from 72.6% the year before. Revenue per available room (RevPAR) increased 3.8% in 2023, benefiting from a 2.5% increase in the average daily room rate (ADR) from the prior year to reach $209.94 in 2023.

- Tourism Economics expects the U.S. economy to slow sharply at the start of 2024. The thinking behind this is that the strength of consumer spending in Q3 is unsustainable against a backdrop of cooling real income growth and excess savings concentrated among more affluent households. However, lags and the uneven impact of tighter monetary policy and fiscal policy, as well as the behavior of consumers, all mean the outlook remains highly uncertain. Although Tourism Economics has removed the recession from our baseline forecast, they believe it remains a high probability over the next 12 months.

- We expect the impact on travel demand will be mild. Business travel is expected to continue its recovery in the near term. Moreover, international inbound demand still has room to recover to pre-pandemic levels, and we expect it to gain momentum in 2024 leading into 2025.

5-Year Growth Rate Outlook as of January 2024
Source: Tourism Economics

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

	2019	2020	2021	2022	2023	2024	2025	2026
Visits	-1.9%	-59.2%	66.1%	21.0%	9.1%	2.7%	2.1%	1.7%
Day	-3.3%	-67.3%	77.3%	23.1%	18.0%	2.1%	1.4%	1.2%
Overnight	-0.5%	-51.3%	58.8%	18.9%	3.1%	3.3%	2.7%	2.2%
Expenditure	1.3%	-55.7%	44.3%	82.8%	4.0%	3.6%	3.4%	2.9%
Day	-0.2%	-69.2%	81.2%	106.6%	18.8%	3.3%	1.9%	1.7%
Overnight	1.5%	-54.3%	41.8%	80.7%	2.5%	3.7%	3.5%	3.0%
Hotel sector								
Room supply	2.0%	-8.0%	7.4%	0.1%	-0.1%	0.6%	2.1%	3.0%
Room demand	-0.5%	-41.8%	36.2%	18.0%	1.1%	2.5%	3.4%	3.2%
Occupancy (%)	76.6%	48.5%	61.5%	72.6%	73.4%	74.8%	75.8%	75.9%
ADR ($)	$165.65	$130.51	$165.45	$204.89	$209.91	$212.35	$214.63	$218.79

San Diego Forecast Assumptions
Source: Tourism Economics

	2024	2025
International	• International demand to the US below 2019 levels by 2.8%.	• International demand to the US above 2019 levels by 8.7%.
Business travel	• Business transient demand grows in San Diego but remains below 2019 levels.	• Business transient demand grows but remains below 2019 levels.
Leisure travel	• Less than moderate leisure transient demand growth due to economic slowdown at the beginning of the year.	• Moderate leisure transient demand growth.
Group travel	• Forecast assumes moderate group demand growth. We assume the economic slowdown will not affect near term group demand as much as leisure.	• Forecast assumes above average growth in group demand with the addition of the Gaylord Resort and Convention Center (full recovery expected in 2025).

Lodging Forecast Summary

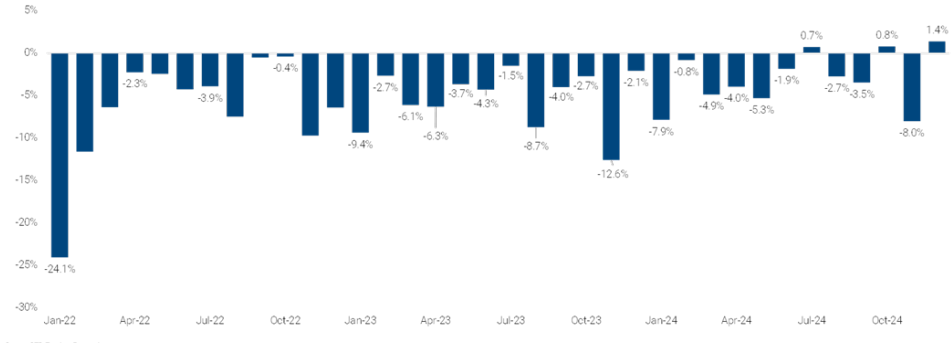
Forecast summary

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Supply (in millions)	23.3	23.7	21.8	23.4	23.5	23.4	23.6	24.1	24.8
Demand (in millions)	18.3	18.2	10.6	14.4	17.0	17.2	17.6	18.2	18.8
Occupancy	78.6%	76.6%	48.5%	61.5%	72.6%	73.4%	74.8%	75.8%	75.9%
ADR	$164.84	$165.65	$130.51	$165.45	$204.89	$209.91	$212.35	$214.63	$218.79
RevPAR	$129.50	$126.96	$63.31	$101.80	$148.65	$154.13	$158.91	$162.65	$166.16
Room revenue (in millions)	$3,012.3	$3,012.0	$1,382.2	$2,386.4	$3,487.7	$3,613.8	$3,746.6	$3,914.3	$4,118.6
ADR, real	$167.21	$165.65	$129.12	$157.16	$182.77	$180.38	$178.39	$176.61	$176.50
RevPAR, real	$131.36	$126.96	$62.64	$96.70	$132.60	$132.45	$133.50	$133.83	$134.04
Growth									
Supply (in millions)	*0.5%*	*2.0%*	*-8.0%*	*7.4%*	*0.1%*	*-0.1%*	*0.6%*	*2.1%*	*3.0%*
Demand (in millions)	*2.4%*	*-0.5%*	*-41.8%*	*36.2%*	*18.0%*	*1.1%*	*2.5%*	*3.4%*	*3.2%*
Occupancy	*1.9%*	*-2.4%*	*-36.7%*	*26.8%*	*17.9%*	*1.2%*	*1.9%*	*1.3%*	*0.2%*
ADR	*4.1%*	*0.5%*	*-21.2%*	*26.8%*	*23.8%*	*2.5%*	*1.2%*	*1.1%*	*1.9%*
RevPAR	*6.1%*	*-2.0%*	*-50.1%*	*60.8%*	*46.0%*	*3.7%*	*3.1%*	*2.4%*	*2.2%*
Room revenue (in millions)	***6.6%***	***0.0%***	***-54.1%***	***72.7%***	***46.1%***	***3.6%***	***3.7%***	***4.5%***	***5.2%***
Relative to 2019									
Supply (in millions)			*-8.0%*	*-1.2%*	*-1.1%*	*-1.2%*	*-0.6%*	*1.4%*	*4.5%*
Demand (in millions)			*-41.8%*	*-20.7%*	*-6.4%*	*-5.3%*	*-3.0%*	*0.3%*	*3.5%*
Occupancy			*-36.7%*	*-19.7%*	*-5.3%*	*-4.2%*	*-2.4%*	*-1.1%*	*-0.9%*
ADR			*-21.2%*	*-0.1%*	*23.7%*	*26.7%*	*28.2%*	*29.6%*	*32.1%*
RevPAR			*-50.1%*	*-19.8%*	*17.1%*	*21.4%*	*25.2%*	*28.1%*	*30.9%*
Room revenue (in millions)			***-54.1%***	***-20.8%***	***15.8%***	***20.0%***	***24.4%***	***30.0%***	***36.7%***
ADR, real			*-22.1%*	*-5.1%*	*10.3%*	*8.9%*	*7.7%*	*6.6%*	*6.5%*
RevPAR, real			*-50.7%*	*-23.8%*	*4.4%*	*4.3%*	*5.1%*	*5.4%*	*5.6%*

Source: STR, Tourism Economics

Demand impact

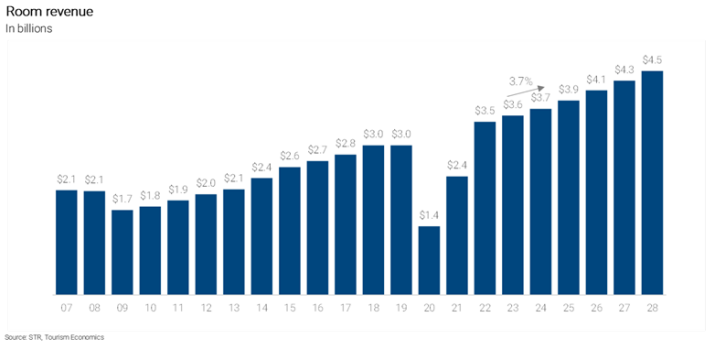
Difference relative to same month in 2019



Source: STR, Tourism Economics

Room Revenue

Annual



- Overall, room revenue in 2024 is expected to grow 3.7%.

Overview of TMD Investment in SDTA Sales & Marketing to Drive Night Demand

As of January 2024	TMD Assessment Revenues	TMD Allocation to SDTA	SDTA Room Night Production (Leisure, Hotel Meetings)
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 actual	$37.4 million	$26.6 million	4.8 million
FY 2023 actual	$45.2 million	$37.4 million	6.4 million
FY 2024 forecast*	$45.8 million *f*	$50.5 million	7.1 million *f*
FY 2025 forecast*	$49.2 million *f*	$49.1 million	6.8 million *f*

San Diego Tourism Authority Strategic Focus

Throughout the past four years, the SDTA has been nimble and effective in retooling programs to respond to a rapidly changing environment and budget. At the height of the pandemic, the SDTA saw a 49% drop in its operating budget and lost nearly 50% of its staff. As the tourism industry has recovered, the SDTA's budget has grown steadily enabling the organization to grow market demand and increase return-on-investment.

In FY 2024, the SDTA is at its highest operating budget ever with $58 million invested to maintain market share in an increasingly competitive marketplace. Programs are focused on expanding the domestic leisure traveler audience, reestablishing representation in key international countries and rebuilding meetings and conventions. New campaigns were launched for the meetings market ("Meet America's Brightest City") and international markets ("A Best of the World Destination"), while the leisure traveler campaign ("Happy & You Know It") continues to run with great results. The sales, events and site experience teams have been merged and are now fully staffed, creating impactful customer interactions for citywide conventions and hotel meetings. Marketing programs are once again running in 7 countries (U.S., Canada, Mexico, U.K., Germany, Australia, and Japan) with China returning in 2025 and the SDTA is partnered with Brand USA to maximize impact.

1. Group meetings and conventions – prior to the pandemic, nearly 40 percent of visitor spending was tied to meetings and conventions. Four years post the pandemic, the meetings industry is firmly back in San Diego. The San Diego Convention Center is hosting over 50 primary events annually and seeing strong attendance. Both 2024 and 2025 are positioned to be very strong years from a citywide perspective, driving compression throughout the region. Single property hotel meetings have rebounded, driving hotel occupancy and rates. In 2023, group business drove 2.6 million room nights, edging out the tally from 2019, reflecting 15% of San Diego County Hotel Occupancy. In January 2024, the SDTA and SDCCC hosted PCMA CL24 at the San Diego Convention Center, showcasing the destination to wide acclaim. Attendance set records with nearly 5,000 attendees and site influentials engaged in "Meeting America's Brightest City". The SDTA's united sales, services and site experiences team continues to capitalize on all the brand buzz, and new co-operative programs are in development to help the hotel industry tap into new opportunities.

2. Leisure travel – as noted by Tourism Economics, the domestic leisure market carried the destination while waiting for business, meetings, conventions, and international travel to recover. Due to strong TMD reserves, the SDTA was able to promote San Diego through-out the past few years 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 today's traveler. Travelers touted San Diego's friendly nature, where all ages and trip types are welcomed. In January 2023, new brand creative launched in the marketplace and more dollars are being invested to expand San Diego's targeted audience beyond the Western United States. 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 traditionally have been Canada and Mexico, followed by the high spending overseas markets of the United Kingdom, China, Germany, Japan, and Australia. Prior to the pandemic and U.S. borders being closed to many, international represented only 10% of all overnight visitors to San Diego but was considered an important segment due to the high visitor spending patterns generated by long-haul business and leisure travelers. North American and European markets have been the strongest to recover and the SDTA is investing in consumer direct campaigns with Brand USA in Canada and the United Kingdom. Travel trade programs have been relaunched, including those markets with favorable visitor volume and/or air service (Mexico, Australia, Germany, Japan, and China).

4. Community engagement – the SDTA is a membership organization with over 900 members and a 90%+ retention rate. Member businesses represent San Diego's great diversity (from locations, products, services, and operational size) and are the very experiences that travel customers seek to purchase. The SDTA has always sought to reflect the community that it serves. In 2022, the San Diego Tourism Accelerator program was launched to boost outreach to underserved communities and provide greater opportunities for Woman, Veteran and LGBTQ+ owned businesses to participate in the tourism economy. A strong membership base that represents all of San Diego gives our region a competitive edge across all categories of buyers.

High-Level Strategies and Tactics

1. Collaborate with stakeholders to update the 2014-2015 San Diego Tourism Destination Master Plan, "Experience San Diego 2040".
    a. Develop a 10-year San Diego Tourism Stewardship Plan to reflect the impacts of the pandemic on the tourism economy and chart a new course that creates greater resiliency, sustainability, and equity.
    b. Convene a Steering Committee to help guide the consulting firm and SDTA staff on plan development and community outreach.
    c. Gather insights from over 200 community stakeholder groups and San Diego residents on the tourism economy.

d. Benchmark San Diego Tourism against 14 global cities on key indices including tourism supply, economy, living standards and overall brand.
e. Conduct a first ever Sustainability Audit for San Diego Tourism.
f. Collaborate with Visit California and its consulting partner JLL on their 12 Sub-Region Tourism Plans slated for completion by 2025.
g. Integrate key learnings from the Tourism Diversity Matters San Diego study into the updated stewardship plan.

2. Launch year 3 of the San Diego Tourism Accelerator program to impact underserved communities and provide greater opportunities for Woman, Veteran and LGBTQ+ owned businesses to participate in the tourism economy.

3. Continue the ONE SALES TEAM strategy and partnership with the San Diego Convention Center Corporation to further evolve the successful strategy surrounding citywide events with heavy focus on shorter-term (within five years) and need-time business. Continue to have an eye on expansion news.

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

5. Continue to advocate on behalf of the visitor industry.
    a. Provide communication tools for members and stakeholders.
    b. Partner with the San Diego Regional Chamber of Commerce and San Diego Regional Economic Development Corporation to communicate the value of the tourism economy including diverse, well-paying jobs.
    c. Serve on Cal Travel and U.S. Travel Executive Boards.
    d. Provide leadership at the Visit California Commission, Marketing Advisory Board, Research Committee, Public Relations Committee and Branded Content Committee.
    e. Continue to educate the City and County of San Diego on the value of the tourism economy.
    f. Support SDTA members through policies, education and programs that support growing their businesses.

6. Partner and support San Diego's tourism products and experiences including:
    a. Lodging – San Diego County Lodging Association
    b. Neighborhoods – Community groups, City Council, and County of San Diego.
    c. Arts and Culture – 2024 World Design Capital Host Committee, City of San Diego Commission for Arts and Culture, Balboa Park organizations.
    d. Beer & Wine – San Diego Brewer's Guild, San Diego Vintner's Association.
    e. Food – California Restaurant Association, San Diego Chapter.

f. Attractions and Entertainment – Major attraction partners, San Diego Padres, San Diego FC, San Diego Wave FC.
g. Sports – Sports San Diego.
h. Major events – Community and event organizers.
i. Quality of Life including issues around Homelessness and Food Insecurity – Downtown San Diego Partnership, San Diego Regional Chamber of Commerce and San Diego Regional Economic Development Corporation, Jacobs Cushman Food Bank and Feeding San Diego.

7. Continue to monitor the visitor industry and serve as a resource to TMD, local government, industry partners and members.
    a. Modernize SDTA's industry performance dashboard and databases in partnership with Symphony/Tourism Economics.
    b. Partner with key stakeholders on the 2024 San Diego Visitor Profile and share key learnings from the 2022 study with stakeholders.
    c. Provide critical industry insights including Hotel Market Analysis, San Diego Visitor Industry Performance Tracking, and Tourism Industry Forecasting.
    d. Deploy learnings from the TE Market Allocation Platform to guide investment for domestic and international markets.

8. Initiate redevelopment of SDTA's digital ecosystem including the website (sandiego.org), social platforms, corporate blog, and email program.

Marketing Key Strategies and Tactics

1. Capitalize on the strength of the San Diego "Sunny Outlook" Brand Platform across all marketing initiatives.
    a. Incorporate key insights from the August 2021 National Focus Group Research and 2023 Advertising ROI Studies to focus on San Diego's outdoor recreation, scenic beauty, and positivity.
    b. Expand the Destination Brand Pillars with more emphasis on Arts & Entertainment, History & Heritage and Culinary initiatives while continuing to deploy programs for Outdoor Recreation and Family.
    c. Build specific programs for the Southern California market to combat the "been there, done that" issues threatening repeat visitation.
    d. Capitalize on all the new major events happening in the destination with promotional programs touting San Diego as "Awesome All Year".
    e. Address traveler concerns about San Diego's value for the money through special promotions like October's "Kids Free San Diego" and general messaging across communications channels.

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 the current spot market mix to include the high-volume visitor markets of Chicago and New York. Continue to layer national digital campaigns across all spot markets.
    c. Augment the Beach-City Brand Target Audience with campaigns specially targeting the LGBTQ+ audience, California Luxury and Spanish-language Family.
    d. Prioritize television (linear and online) and digital media mix based on ability to deliver reach, recall, and return on investment.
    e. Deploy a multi-layered media and messaging approach including Brand Awareness, Digital, Always-On Content, Social and SEM.
    f. Leverage premium media partnerships to establish third-party credibility and endorsement. Past partnerships have included Trip Advisor, Vox/Eater, Conde Nast publishing, BuzzFeed and Univision.
    g. Implement promotional strategies such as “Awesome All Year Events” and “Kids Free October” to help shore up need periods.
    h. 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.
    i. Develop co-op programs for members to capitalize on SDTA brand and media efficiencies.

3. Expand the Group Meetings marketing initiative with paid advertising, direct marketing, social media, and media pitches. 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. Capitalize on focus group research to target younger meeting planners that are unfamiliar with San Diego and DMOs.
    b. Continue the “Meet America’s Brightest City” campaign and look to build new member co-ops with targeted media outlets post hosting PCMA CL24.
    c. Continue LinkedIn campaigns to support direct sales team with fresh messaging and lead development.
    d. Invest in new sales, services, and promotional materials to align with “Meet America’s Brightest City”.

4. Budget permitting, update the Brand USA LOA to support consumer campaigns in primary markets.

a. Priority international markets are Canada and the United Kingdom based on air service, visitor volume and spending.

5. Position San Diego as a must-see California destination in key international markets through travel trade partners and media pitches.
    a. Tier-One markets are Canada, Mexico and the United Kingdom.
    b. Tier-Two markets are Germany, Australia Japan and China.
    c. Monitor developments in tertiary markets. According to the December 2023 Tourism Economics International Market Allocation Platform, markets on the rise include France, South Korea, India, and Brazil.

6. Increase San Diego's share of voice and leverage the paid media budget through unpaid EARNED media.
    a. Secure editorial coverage of travel to San Diego in Tier-One media outlets with high consumer influence within target markets. Continue to pitch the San Diego Brand and diverse visitor experience.
    b. Pitch influential meeting planner publications on San Diego as a desirable meetings destination and the best-in-class SDTA sales leadership.
    c. Maintain awareness of the SDTA and recognized value of the tourism industry with local media outreach.

7. Capitalize on B2B channels to promote San Diego travel products and packages through key intermediaries.
    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 in partnership with Brand USA and Visit California 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.

8. Connect with travelers and communicate the depth of San Diego travel experiences. through OWNED/WEB/SOCIAL media channels.
    a. Update the current web platform (built in 2015) to meet today's technology requirements and maximize new opportunities.
    b. Leverage the paid media program of work by delivering on the brand promise in the OWNED digital channels (web and social).
    c. Grow SanDiego.org audience base through paid and organic strategies.

d. Continue to cost efficiently manage content through the SDTA Communications Team and Members.

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. Grow the number of customer interactions, events, and tradeshows to reach a wider audience and increase group room nights for the destination.
    b. Working with hotel partners to understand availability options for what current trends are showing will be an increase in shorter-term bookings.
    c. Improve data sharing with hotel partners on national and market trends.

2. Build a best-in-class DMO Client Services team for Citywide Conventions.
    a. Elevate San Diego's Site Experience Services under new leadership and programs that help convert more meeting planners to choose San Diego.
    b. Ensure the sharing and evaluation of housing pick-up information with hotel partners is improved.
    c. Work with other DMOs and housing companies to improve the data sharing between organizations and hotels/DMOs.
    d. Provide superb service levels and consultation to upcoming Citywide Convention through things like attendance building tools and the SDTA's vast marketing resources.
    e. Capitalize on the successful hosting of PCMA CL24 that demonstrated the diversity of San Diego's 7 meeting regions and hospitality community's quality event execution.

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 sent 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.

4. Conduct Sales Missions/Road Shows, Focus Groups and FAMS to target new customers and showcase the 7 San Diego meeting regions.

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

6. Continue to improve communication with hotels through monthly Sales Leader Update calls with SDTA Sales leadership.

7. Research International MICE business potential and identify targets for San Diego.

8. Gather customer insights from PCMA and CEMA to help build programs that meet today's next generation of meeting planners.

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

9. Maximize the San Diego Convention Center hotel room night production and building revenue goals. Focus most resources on filling open dates within the next 5-7 years.
    a. Ensure citywide strategy is updated based on stakeholder needs and executed effectively.
    b. Conduct Monthly Housing Update calls with hotel partners to provide the most up-to-date information known.
    c. Deploy the Citywide Sales strategy based on a standardized scoring of all citywide in terms of value to key stakeholders (pattern, seasonality, F&B spend, booking window, etc.).
    d. Build sales goals – individual and team – that focus 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. Use the database of accounts to find the right accounts and place them in the open space.
    g. Increase the focus on attracting corporate business from the Midwest.
    h. Ensure the business booked is the best for the stakeholders – the SDCCC, hotel partners and overall San Diego region.
    i. Research opportunities with the SDCCC to price the building in a dynamic manner as hotels are priced (higher rental rates for higher demand times).

10. 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.

11. 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.

12. Improve engagement with local hotel partners to ensure an understanding of commitments required to continue with San Diego's strong standing with Citywide conventions and the benefits of this segment of business.

13. Monitor legal proceedings related to the Convention Center expansion and provide relevant customer updates.

<u>Hotel Meetings Key Strategies & Tactics</u>

14. 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 6 FAMs of 15–20 new customers each throughout the year with the assistance of a trusted partner or on our own.
    c. Continue outreach with Road Shows/customer events to specific feeder markets.
    d. Schedule 2 focus groups to better understand San Diego messaging and sales opportunities for in-house groups.
    e. Budget travel money for NSDs to entertain clients around experiential events in market as a way to attract the right customers to events.

15. Prepare messaging and marketing to combat the new Gaylord Pacific Resort & Convention Center (opening May 2025).

16. Partner with Visit California on initiatives as they grow their footprint in Meetings & Conventions.

17. Investigate opportunities in the international MICE market.

18. Relaunch San Diego Meeting Certified to assist our hospitality partners in a post-COVID world.
    a. Schedule classes in 2024 that focuses on understanding San Diego's brand values with emphasis on new product and "Meet America's Brightest City".
    b. Continue to tailor the classes on selling the San Diego brand, conducting stellar site experiences, working as a destination team, and selling what's new.
    c. Create sessions focused on attractions/venues and other non-Hotel salespeople and continuing education classes for refreshers throughout the year for all previous attendees.
    d. Begin hosting small, informal member mixers for Sales Teams in all regions to become acquainted throughout the year.

FY 2025 TMD Funding Request and Projected Return on Investment

Funding Request	**$49,106,976**
Funding Recommendation	**$47,631,976**
Directors' Aggregate Ranking	**#1 of 15**
Return on Investment – TBD Based on Revised Budget	
TMD Hotel Room Nights Generated	**5,850,000**
Lodging Revenue @$	1,260,993,815
ROI	**26:1**

San Diego Bowl Game Association – Sports San Diego

Previously known as the San Diego Bowl Game Association, Sports San Diego's purpose is to drive visitor demand to economically benefit the San Diego region through recruiting, supporting, and hosting world-class sports events. Sports San Diego owns/operates four annual tourism driving events: the California State Summer Games (July 24), Rady Children's Invitational (Nov 24), DIRECTV Holiday Bowl (Dec 24), and California State Winter Games (Feb 25). Three of these events take place during need periods for the tourism & hospitality community.

Sports San Diego also serves as the region's sports commission, the primary organization responsible for marketing San Diego as a sports destination and working with venues, hotels, and event organizers to bring new sports events to San Diego. As part of the FY-25 Sports San Diego budget, bid fees were included for the: New Zealand All Blacks vs. Fiji rugby match (July 24), West Ham soccer match (July 24), Manchester United vs. Real Betis (July 24), USA Flag West (Sept 24), ECNL Showcase (Oct 24), USA Ultimate Club Nationals (Oct 24), MLS Pre-Season (Jan 25), and ECNL Playoffs (June 25).

Funding Request	$1,970,000
Funding Recommendation	**$1,840,000**
<u>Ranking:</u>	
• Directors' Aggregate Ranking:	#2 of 15
<u>Return on Investment (ROI) - Projected:</u>	
• Total hotel room nights	115,868
• New hotel room nights of total	27,132
• Return @ $217 ADR (average daily rate)	$31,031,000
• **ROI**	**15.8:1**

Thunderboats Unlimited
San Diego Bayfair

San Diego Bayfair started in 1964 with a few hydroplane boats racing on Mission Bay. The event has grown into a multiday family festival featuring the world's fastest boats, extreme sports competition, concerts, a craft beer festival, car shows and a major cornhole tournament in 2024. The fast boats still draw fans to Mission Bay nearly 60 years later. The H1 Unlimited hydroplanes are among the fastest boats in the world and run on the 2 1/2-mile course, which is considered the fastest water in the country. The Hydro-Games on Crown Point features a mashup of water sports events involving E-foils, jet boards, Jet Skis and Sea Breachers. The Hydro-Games draws about 100 competitors from as far as Europe for the two-day exhibition.

The grass-roots organization American Power Boat Association (APBA) rounds out the on-water activities by providing up-and-coming racers an opportunity to compete in front of a large audience. As part of the evolution of the event, Bayfair will be partnering to bring in Surf Rodeo on Crown Point. Surf Rodeo features live music, a beer festival, silly games and even a mechanical bull. To complement the activities on the Surf Rodeo, Bayfair will hold a classic lowrider car show and will have several motorsports displays throughout the venue. Whether it's the Unlimited hydroplanes or Surf Rodeo, the fans are willing to travel, especially to a world-class destination such as San Diego. Bayfair has always prided itself on delivering a "three-ring circus" of entertainment for the family and visitors to San Diego.

Funding Request	$200,000
Funding Recommendation	**$200,000**

Ranking:

- Directors' Aggregate Ranking: #3 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	18,600
• New hotel room nights of total	3,100
• Return @ $279 ADR (average daily rate)	$5,189,400
• **ROI**	**25.9:1**

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 14,000+ attendees from across the country and an estimated 38% from outside of the San Diego market. The San Diego Bay Wine & Food Festival is ranked by USA Today as the #1 Wine & Food Festival in country and features a week full of events located throughout the city. Now entering its 20th year, the festival puts a national spotlight on the city's burgeoning culinary tourism industry, its chefs, farmers, fisherman and attractions that make the city so unique. The festival has a track record of measurable success in driving hotel room nights, as proven by audits performed by Vision Quest. 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 aided the festival in garnering over an annual 400 million impressions.

In 2023, the San Diego Bay Wine + Food Festival celebrated 19 years of production, earning accolades from industry pacesetters 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. Only a few days ago, we wrapped production of our 19th Festival, with the expanded second day Grand Tasting called the Grand Fiesta in partnership with the Consulate of Mexico designed to celebrate our cross-border culinary influence.

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

Ranking:

- Directors' Aggregate Ranking: #4 of 15

Return on Investment (ROI) - Projected:

- Total hotel room nights 5,919
- New hotel room nights of total 1,000
- Return @ $265 ADR (average daily rate) $1,833,535
- **ROI** **24.6:1**

The La Jolla Concours D'Elegance

It is fitting that when translated into Spanish, La Jolla means "the jewel," because La Jolla truly is the diamond of the West Coast. La Jolla has become the embodiment of luxury, class and style in San Diego. The chic allure of La Jolla's avenues has drawn the finest automobiles to this coastal town at the La Jolla Concours D'Elegance. The La Jolla Concours D'Elegance features various types of fine automobile gems. Past years have showcased horseless carriages, Italian marques, British marques, Woodies, 50's classics, American sports cars, and the automobiles of Carroll Shelby. Spectators from all over the nation come to the breathtaking shores of La Jolla to view their favorite classics. It began as the dream of a few La Jolla business owners who were looking for a way to showcase the beauty and charm of downtown La Jolla during the winter months.

The La Jolla Concours D'Elegance, held at Ellen Browning Scripps Park in La Jolla CA, has been recognized as one of the top 5 Concours D'Elegance in the United States. In 2025 the La Jolla Concours D'Elegance will celebrate its 19th year and takes place in the month of April 2025. What started 18 years ago as a small car show at La Jolla Cove, was converted to a proper Concours 12 years ago, and is now a globally highly respected and recognized event

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

Ranking:

- Directors' Aggregate Ranking: #5 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	8,000
• New hotel room nights of total	451
• Return @ $372 ADR (average daily rate)	$2,976,000
• **ROI**	**39.9:1**

California Police Athletic Federation

The United States Police & Fire Championships will be celebrating its 57th year of competition in 2025 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 38 different sports at 28 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	$71,000
Funding Recommendation	**$71,000**

Ranking:

- Directors' Aggregate Ranking: #6 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	9994
• New hotel room nights of total	1,000
• Return @ $219 ADR (average daily rate)	$2,188,686
• **ROI**	**30.8:1**

San Diego Crew Classic

In our 52nd year, the San Diego Crew Classic has become the West Coast's largest regatta and the third largest in the world. We are an internationally acclaimed rowing regatta featuring over 4,000 athletes in over 150 races on the waters of Mission Bay (an increase of twenty races in the last three years). Our biggest change in many years being the addition of Friday racing in 2023. 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 tens 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 2025 San Diego Crew Classic will take place on March 28-30, 2025. Most of our competitors and out of town spectators stay in San Diego. Sunshine, sandy beaches and the green lawns of Crown Point Shores on Mission Bay provide a powerful attraction to the east coast and international European 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.

Funding Request	$156,500
Funding Recommendation	**$156,500**
Ranking:	
• Directors' Aggregate Ranking:	#7 of 15
Return on Investment (ROI) - Projected:	
• Total hotel room nights	8,743
• New hotel room nights of total	2093
• Return @ $285 ADR (average daily rate)	$2,491,755
• **ROI**	**15.9:1**

Mission Bayfest

Mission Bayfest is a three-day music festival with a daily maximum attendance of 12,000 people, taking place from September 27th to 29th, 2024. The event celebrates the beach and bay culture of San Diego and is set in the heart of San Diego's coastal community of Mission Beach at the breathtaking Mariner's Point Park. Nestled along the pristine shores of Mission Bay, this hidden gem promises a festival experience like no other within the City of San Diego.

Mission Bayfest 2024 will focus on bringing "heads in beds" not only to local hotels and resorts but also encouraging spending in the community over a three-night weekend. We aim to attract out-of-town attendees by promoting an end-of-summer "weekend getaway" to states like Nevada, Arizona, and Eastern California, where September temperatures can remain in the 100s. In San Diego, the weather is simply "perfect.". At Mission Bayfest, we fully embrace the phrases "Beach Music" and "Beach Culture." We've curated a lineup of reggae-centric acts that perfectly complement the coastal scenery of Mission Bay. Our core audience shares a love for reggae, the beach, and good weather, which is precisely why they attend our festival—because that's exactly what we deliver.

Funding Request	$122,500
Funding Recommendation	**$122,500**

Ranking:

- Directors' Aggregate Ranking: #8 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	3,150
• New hotel room nights of total	3,000
• Return @ $289 ADR (average daily rate)	$910,350
• **ROI**	**7.4:1**

Del Mar Food and Wine Festival

A group of local San Diego event veterans with a passion for creating dynamic experiences for their community partnered together to produce a multi-day celebration of the culinary scene in San Diego - showcasing the city as one of the top culinary destinations in the country. Working with some of the top chefs in the country with national followings, and pairing them with local businesses, we were able to drive national interest in this event and the local culinary scene. The goal is to create an inviting experience for tourists to experience the diverse range of incredible things San Diego has to offer. We launched DMWFF in 2023 with the vision to make this one of the top destination wine and food festivals in the country - to put a national spotlight on the diverse culinary scene here and raise funds for Feeding San Diego, with the goal in future years to make this one of San Diego's key tourism attractions.

As we move into 2024 our vision is to reach more of the drive market and create a full week of experiences that appeals to foodies and those who enjoy an immersive Southern California lifestyle experience. There will be many supporting events featuring national celebrity chefs paired with local talent and businesses to create a destination buzz. In 2024 the event will be hosted the first week in October, providing an extended tourism season attraction and in prime San Diego weather.

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

Ranking:

- Directors' Aggregate Ranking: #9 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	2,300
• New hotel room nights of total	2,300
• Return @ $289 ADR (average daily rate)	$644,700
• **ROI**	**8.9:1**

USTA Billie Jean King Girls' National Championships

The USTA Billie Jean King Girls 16s & 18s National Championships is a prestigious WTA 500 tennis tournament held annually in San Diego. The event has been in existence for 105 years and the longevity of the event underscores its importance in the world of tennis.

Tennis legend Billie Jean King personally attends this tournament each year, adding to its prestige. Her participation draws nationwide attention, and the tournament enjoys extensive visibility through broadcasting. San Diego receives tremendous exposure as the tournament is aired on both the Tennis Channel and CBS.

The winner of the Championships earns a coveted direct entry into the US Open in New York.

Funding Request	$65,000
Funding Recommendation	**$65,000**
Ranking:	
• Directors' Aggregate Ranking:	#10 of 15
Return on Investment (ROI) - Projected:	
• Total hotel room nights	2,900
• New hotel room nights of total	0
• Return @ $289 ADR (average daily rate)	$664,700
• **ROI**	**12.9:1**

San Diego Diplomacy Council

For FY25, SDDC requests the support of SDTMD to attract and administer events that SDDC anticipates will welcome over 800 international visitors to the San Diego region. These visitors, the majority of whom are first-time visitors to San Diego, will spend money on San Diego hotels, flights, ground transportation, restaurants, and elsewhere. Each event will host an average of 5-25 international leaders in San Diego for an average of 5.4 nights in SDTMD hotels. These international leaders will meet with their counterparts across industries, learn about business opportunities with San Diego and form personal and professional connections with San Diegans. SDDC is the only organization in San Diego designated to host the U.S. Department of State International Visitor Leadership Program (IVLP).

In FY23, we hosted 506 international visitors from over 110 countries through our events coordinated with the U.S. Department of State. In the past year, we have hired a Development Director and expanded our Programming team. This increases our capacity to welcome more visitors to San Diego through our events. We have a strong, growing team in place to successfully expand our programming to host more visitors in San Diego in FY25 while ensuring excellent service and support.

Funding Request	$39,600
Funding Recommendation	**$39,600**

Ranking:

- Directors' Aggregate Ranking: #11 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	4,322
• New hotel room nights of total	1,588
• Return @ $210 ADR (average daily rate)	$907,620
• **ROI**	**22.9:1**

San Diego Open

The San Diego Open returns to the Barnes Tennis Center in Point Loma for the 4th year in a row in 2025. As the first WTA event in the United States every calendar year and the only WTA event in the Western U.S. (besides Indian Wells), the San Diego Open attracts a large crowd from around the region as well as millions of international viewers.

The 2025 San Diego Open will take place February 22nd to March 2nd and feature many of the top 20 female players in the world. On average, in each of the first three years of the event, we attracted 9 of the top 20 ranked female players in the world. In addition, the first two years averaged 17M viewers on Television and Digital broadcasts around the world.

The 2025 San Diego Open will once again be one of the largest international events in San Diego and attract thousands to come see it live and millions to see our beautiful city on TV.

Funding Request	$163,200
Funding Recommendation	**$163,200**
Ranking:	
• Directors' Aggregate Ranking:	#12 of 15
Return on Investment (ROI) - Projected:	
• Total hotel room nights	4,375
• New hotel room nights of total	419
• Return @ $269 ADR (average daily rate)	$1,176,875
• **ROI**	**7.2:1**

USTA Adult National Championships

The Barnes Tennis Center will once again play host to the USTA Adult National Championships for the second consecutive year in 2025. The event takes place over three weekends in October and November (10/18/24 – 10/20/24, 10/25/24 -10/27/24 & 11/8 – 11/10/24) and is the culmination of the year-long USTA Adult amateur season, sectionals and regional championships. Teams from all around the country vie for the opportunity to make the National Championships and there is no location they would rather come than America's Finest City.

Approximately 400 players compete each weekend and 95% - 100% of them are from out of town. With the location of the Barnes Tennis Center, they will almost all stay in San Diego hotels. The event was so successful in 2024 (the players raved about the location), the USTA, which sometimes rotates these championships to different cities, decided to come back and is even looking at adding a fourth weekend, if not in 2024, then very possibly in 2025.

The energy and enthusiasm seen in 2023 at the USTA Adult National Championships will continue in 2024 as the event grows and even more than 400 people attend each weekend!

Funding Request	$39,760
Funding Recommendation	**$39,760**

Ranking:

- Directors' Aggregate Ranking: #13 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	1,694
• New hotel room nights of total	200
• Return @ $193 ADR (average daily rate)	$330,330
• **ROI**	**8.3:1**

Wonderfront

The Wonderfront Festival is an annual festival taking place in San Diego, CA. The festival is 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 Park North, Seaport Village, Ruocco Park, and in many of the theaters, clubs and hotel ballrooms throughout the city. Multiple stages and cultural activations will be created in these spaces for the three-day festival.

The Wonderfront Festival has been successful because it celebrates the greatness of San Diego with a world-class event that attracts visitors from near and far, including attracting visitors from every state in the USA plus 13 countries. The event will be very family friendly drawing from Gen Z college students and millennials but will also be encompassing entertainers that draw large numbers of 35+ aged patrons across the spectrum of demos. The 2022 festival lineup included even more nationally recognized artists that attracted more of a 35+ audience than the previous festival lineup, with artists such as Gwen Stefani, Zac Brown Band, Kings of Leon, Lauren Daigle, Fitz & the Tantrums, Young the Giant and many others. The first few years of a festival are always the hardest.

Funding Request	$250,000
Funding Recommendation	**$0**

Ranking:

- Directors' Aggregate Ranking: #14 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	13,211
• New hotel room nights of total	3000
• Return @ $235 ADR (average daily rate)	$3,104,585
• **ROI**	**12.4:1**

Day of the Dead Festival

The Day of the Dead Festival, or Dia de los Muertos, is a cultural holiday which is celebrated in many countries many of which are Hispanic. San Diego's Día de los Muertos, is designed to celebrate the history, culture, and heritage of the region, celebrating the life of those who have passed on. Remembrance, Community and Celebration are the key words to describe the traditions. In 2024 we are moving our event to Liberty Station which has a beautiful park setting and will accommodate larger attendance with better parking. The actual Holiday is on November 1 & 2, traditionally not the busiest time of year but we draw thousands of tourists and locals who participate and invite guests.

Funding Request	$69,250
Funding Recommendation	**$69,250**

Ranking:

- Directors' Aggregate Ranking: #15 of 15

Return on Investment (ROI) - Projected:

• Total hotel room nights	1,500
• New hotel room nights of total	1,500
• Return @ $179 ADR (average daily rate)	$268,500
• **ROI**	**7.8:1**

Administration

San Diego Tourism Marketing District Corporation

Personnel	
Employee Benefits	$ 59,000
Executive Director Wages	281,277
Payroll tax	22,502
Workers Comp	2,813
Total Personnel	365,592
Contract Services	
Accounting	288,424
Audit	31,050
Legal	151,000
Research and compliance	125,000
IT Support Services	500
Communications	264,500
Total Contract Services	860,474
Overhead	
Bank service fees	200
Dues and subscriptions	9,722
Insurance	36,510
Meals, Travel & Entertainment	1,200
Occupancy	11,478
Office Supplies	2,000
Parking	400
Payroll processing	4,429
Postage and shipping	2,000
Printing and reproduction	3,000
Total Overhead	70,939
Contingency	493,483
Total SDTMD Operations	**1,790,488**
Administration Fees to the City	**350,000**
Total Administration	**$ 2,140,488**

Opportunity & Catastrophe Reserve Summary

Opportunity & Catastrophe Reserve:

7% Assessment revenue	$ 3,308,934
Projected carryover	14,323,237
Utilization of reserve for FY25 funding requests	8,378,859)
Total Opportunity/Catastrophe Reserve	**$ 9,253,312**

	2016 Modified District	Renewed District Fund A	Renewed District Fund B	Total
7% Assessment revenue	**$ 3,308,934**	**$ --**	**$ --**	**$3,308,934**
Projected carryover prior years	**14,323,237**	**--**	**--**	**14,323,237**
Utilization of carryover for contractor allocations	**(8,378,859)**	**--**	**--**	**(8,378,859)**
Total Opportunity/Catastrophe Reserve	**$9,253,312**	**$ --**	**$ --**	**$9,253,512**

Administrative/Interest Income

Administrative:
3% of assessment revenue plus interest income

3% Assessment revenue	$ 1,418,114
Projected carryovers – prior years 2016 Modified District	722,374
Projected carryovers – prior years Renewed District Fund A	1,302,739
Projected carryovers – prior years Renewed District Fund B	278,347
Projected interest income	--
Total Administrative/Interest Income	$ 3,721,574
Budgeted utilization (Includes City Admin)	(2,140,488)
Total Administrative Reserve	**$1,581,086**

Attachments

San Diego Tourism Marketing District Corporation (4 pages) ..... Page 44

Management Plan Highlights (4 pages) ..... Page 49

Funding Cycle for FY2025 (1 page) ..... Page 54

Key Elements of the Application Guidelines and Requirements for FY2025 (4 pages) Page 56

Sample Application for FY2025 (10 pages) ..... Page 61

FY2025 SDTMD Corp. Directors Ranking of Applications Summary (1 page) ..... Page 73

SDTMD Corp. Milestone Report – FY2023 (91 pages) ..... Page 76

FY2024 Interim Report of Activities Summary (4 pages) ..... Page 166

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	Daniel Kuperschmid	OPEN
Ilsa Butler, Secretary	Elvin Lai	
Summer Shoemaker,Treasurer	April Shute	
Scott Hermes	Joe Terzi	
C. Terry Brown, Director Emeritus		

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, are 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, written submission of the application and supporting materials and any public presentation 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.

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.

Summer Shoemaker, Treasurer
General Manager, Mission Bay Resort
Ms. Shoemaker represents Pebblebrook and 357 TMD rooms in the Mission Bay region of the City of San Diego.

Scott Hermes
Retired Hotel Executive
Mr. Hermes is the 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.

Daniel Kuperschmid
Area Vice President and General Manager, Manchester Grand Hyatt
Mr. Kuperschmid represents the Manchester Grand Hyatt and 1628 TMD rooms in the City of San Diego.

Elvin Lai
Owner and Operator, Ocean Park Inn
Mr. Lai represents Ocean Park Inn and 71 TMD rooms in the Pacific Beach region of the City of San Diego.

April Shute
Vice President and Managing Director, Town and Country Resort San Diego
Ms. Shute represents Town and Country Resort San Diego and 688 TMD rooms in the Mission Valley region 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.

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 of 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 fewer 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 are 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 FY2025

2 Pages

Funding Cycle for FY2025

THE FY2025 FUNDING CYCLE

October/November 2023:
FY2025 Applications available on October 6 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 FY2025 Annual Application Deadline: Friday, November 17, 2023

February 2024:

- DMO FY2025 Annual Application Deadline: Friday, February 2, 2024
- DMO presentation to Board of Directors: Friday, February 16, 2024

March 2024:

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

May 2024:

- FY2025 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 2024:

- FY2025 Contract Issued

July 1, 2024:

- FY2025 Begins

November 30, 2024:

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

February 28, 2025:

- Q2 Progress Recap due.

May 31, 2025:

- Q3 Progress Recap due.

August 31, 2025:

- Q4 & Annual Progress Recap due.

Attachment 4

Key Elements of the Application Guidelines and Requirements for FY2025

4 Pages

Key Elements of the Application Guidelines and Requirements for FY2025

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 have 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, airtimes, 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 a 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 Workplace: 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 candidates or ballot initiative activities *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

FY2025 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 an explanation if they fall 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 paper clip 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 be reimbursed toward the equivalent of coach airfare when use of public air carrier transport is required in order to fulfil the Contractor’s obligations under this agreement. GSA rates for meals & incidentals are at 100% of the rate per night stayed at a 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

FY2025 SDTMD Corporation Directors Ranking of Applications Summary

1 Page

SDTMD Director Ranking Sheet
FY2025 Annual Funding Applications

SDTMD Committee Ranking Order:

FY 2025 ANNUAL FUNDING APPLICATIONS

															Distributable Funds	42,543,433
															Release of O/C reserve district 3	8,378,859
																50,922,292
EVENT	**APPLICANT**	**ROI**	Amount Requested	BARTELL	BUTLER	HERMES	KUPERSCHMID	LAI	SHOEMAKER	TERZI	SHUTE	Total	Rank Order	Recommended Amount FY 25		
WORLD BASEBALL CLASSIC QUARTER-FINALS, SEMI-FINALS AND FINALS	SAN DIEGO PADRES	14.3	300,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			300,000		
SAN DIEGO TOURISM AUTHORITY	SAN DIEGO TOURISM AUTHORITY	30	$ 49,106,976	1	1	1	1	1	1	1	1	8	1.00	47,631,976		
SPORTS SAN DIEGO	SPORTS SAN DIEGO	15.8	$ 1,970,000	2	2	2	2	8	2	2	2	22	2.75	1,840,000		
SAN DIEGO BAYFAIR	THUNDERBOATS UNLIMITED/SAN DIEGO BAYFAIR	25.9	$ 200,000	5	6	4	5	4	5	4	7	40	5.00	200,000		
SAN DIEGO BAY WINE & FOOD FESTIVAL	FAST FORWARD FUTURES	24.6	$ 74,500	3	5	3	3	5	6	11	6	42	5.25	74,500		
THE LA JOLLA CONCOURS D'ELEGANCE	LA JOLLA HISTORICAL SOCIETY	39.9	$ 74,500	7	3	7	8	2	3	8	11	49	6.13	74,500		
UNITED STATES POLICE & FIRE CHAMPIONSHIPS	CALIFORNIA POLICE ATHLETIC FEDERATION	30.8	$ 71,000	4	4	5	15	3	4	9	14	58	7.25	71,000		
52ND SAN DIEGO CREW CLASSIC	SAN DIEGO CREW CLASSIC	15.9	$ 156,500	6	7	6	14	7	7	5	8	60	7.50	156,500		
MISSON BAYFEST	SAN DIEGO BAYFEST	7.4	$ 122,500	13	12	9	4	13	13	7	5	76	9.50	122,500		
DEL MAR FOOD AND WINE FESTIVAL	DEL MAR FOOD AND WINE FESTIVAL, LLC	8.9	$ 74,500	8	11	13	12	10	11	10	3	78	9.75	74,500		
USTA BILLIE JEAN KING GIRLS NATIONAL CHAMPIONSHIPS	SOUTHERN CALIFORNIA TENNIS ASSOCIATION FOUNDATION	12.9	$ 65,000	9	9	8	10	9	8	12	13	78	9.75	65,000		
SDDC INTERNATIONAL VISITORS DAY	SAN DIEGO DIPLOMACY COUNCIL	22.9	$ 39,606	10	8	10	7	6	14	15	10	80	10.00	39,606		
SAN DIEGO OPEN	YOUTH TENNIS SAN DIEGO	7.2	$ 163,200	12	14	11	6	14	10	6	9	82	10.25	163,200		
USTA ADULT NATIONAL CHAMPIONSHIPS	YOUTH TENNIS SAN DIEGO	8.3	$ 39,760	11	10	12	9	11	9	14	12	88	11.00	39,760		
WONDERFRONT FESTIVAL	WONDERLUST EVENTS LLC	12.4	$ 250,000	15	15	14	11	15	15	3	4	92	11.50	-		
DAY OF THE DEAD FESTIVAL	VISUAL MEDIA GROUP	7.8	$ 69,250	14	13	15	13	12	12	13	15	107	13.38	69,250		
			52,777,292	120	120	120	120	120	120	120	120	960		50,922,292		

Attachment 7

SDTMD Corporation Milestone Report for FY2018 - FY2023 July 1, 2017 – June 30, 2023

91 Pages

Attachment 8

FY2024 Interim Report of Activities Summary

4 Pages

San Diego Tourism Marketing District

FY2024 Interim Report of Activities

(July 1, 2023 – April 5, 2024)

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 fewer 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%

FY2024 TMD Budget Summary

Pursuant to San Diego Tourism Marketing District Management Plan

ORIGINAL CALCULATION OF AVAILABLE TMD FUNDS FOR FY2024

Projected Assessments	$	46,499,959
Projected carryover –prior years		23,852,582
Projected Interest and Penalties		0
Contributions from Other Sources of Funding:		0
Total FY2024 Funds Available	**$**	**70,352,541**

PROPOSED ACTIVITIES FOR FY2024

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

Targeted Marketing and Sales Programs	$	23,261,538
Destination Marketing		29,446,030
Sub-Total Marketing and Sales	**$**	**52,707,568**
SDTMD Administration & Operations	$	2,369,388
City Administration	$	300,000
Sub-Total Administration	**$**	**2,669,388**
Administrative Reserve		1,436,897
Opportunity/Catastrophe Reserve	$	13,538,688
Original Total for Proposed Activities	**$**	**70,352,541**

During the year actual assessments collected through December 2023 have been less than budgeted by $1,242,673. Assessments projected through the end of the fiscal year reflect a 3% growth rate over FY23 with a total projected shortfall for the year of $1,047,573. The projected shortfall in assessments is allocated to reduce the opportunity/catastrophe reserve by $1,016,146 and $31,427 (3%) to administration reserve. 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 increase in proposed targeted marketing and sales programs of $1,193,500 These changes resulted in a projected carryover to FY25 as described below:

Original Opportunity/Catastrophe reserve	$13,538,688
Decrease due to revised targeted marketing and sales activities	1,193,500)
Decrease due to actual and projected FY24 assessments under budget	1,016,146)
Increase due to expected unspent contractor funds (SDTA)	1,200,000
Increase due to actual FY23 carryover over projected	1,794,195
Projected FY24 Opportunity/Catastrophe carryover to FY25	$14,323,237

FY2024 TMD Budget Summary

Pursuant to San Diego Tourism Marketing District Management Plan

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Increase due to actual FY23 carryover over projected	1,794,195
Projected FY24 Opportunity/Catastrophe carryover to FY25	$14,323,237

FY2024 Allocations

ENTITY/EVENT	ORIGINAL	REVISED	NON-TMD
San Diego Tourism Authority	$50,485,068	$49,889,068	$ 6,457,260
San Diego Bowl Game Assoc	1,531,500	1,631,500	10,546,417
San Diego Bayfair - Thunderboats	120,000	--	--
Cal. Police Athletic Federation – U.S. Championships	71,000	71,000	443,500
Fast Forward Futures – San Diego Bay Wine & Food Festival	74,500	74,500	1,054,000
San Diego Crew Classic	145,500	145,500	721,190
Southern California Tennis Association--Billie Jean King	65,000	65,000	285,000
Southern California Tennis Association FDN --SD Open	95,000	95,000	965,875
Ulkutekin Event – Best Coast Beer Fest	70,000	--	--
Youth Tennis San Diego – USTA Adult National Championship	50,000	50,000	89,200
Wonderlust Events – Wonderfront	--	250,000	10,988,157
La Jolla Historical Society – Concours D'Elegance	--	74,500	908,800
Southern California Tennis Association Fdn-San Diego Open	--	135,000	1,270,000
Petco Park Events – San Diego Rodeo	--	150,000	1,125,000
Gator by the Bay	--	70,000	876,750
TOTAL	**$52,707,568**	$52,701,068	35,731,149

FY2024 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, 2024)

San Diego Tourism Authority (SDTA) $50,485,068

Return on Investment (ROI)-projected:
5,650,000 total hotel room nights
1,170,973,000 Room revenue @ $207 ADR
23:1 ROI

Actual FY2024 ROI Q1 &Q2:
Campaigns running through Q2 of FY2024
Citywide Group Sales @ 117% to FYTD goal
Hotel Sales Division @ 125% to FYTD goal

San Diego Bowl Game Association - Sports San Diego $1,531,500

Return on Investment (ROI)-projected:
97,550 total hotel room nights
$17,656,550 @ $181 ADR
11.5:1 ROI

Actual FY 2024 ROI Q1 &Q2:
Room nights calculated annually.

California Police Athletic Federation $71,000

Return on Investment (ROI)-projected:
9699 total hotel room nights
$2,318,061 @ $239 ADR
32.6:1 ROI

Actual FY 2024 ROI Q1 &Q2:
This program occurs in Q4 FY 24.

Fast Forward Futures/San Diego Bay Food & Wine Festival $74,500

Return on Investment (ROI)-projected:
4,000 total hotel room nights
$980,000 @ $245 ADR
13.6:1 ROI

Actual FY 2024 ROI Q1 & Q2:
8,070 total hotel room nights
2,138,550 @ $265 ADR
28.7:1 ROI

San Diego Crew Classic $145,500

Return on Investment (ROI)-projected:
6777 total hotel room nights
$1,836,567 @ $271 ADR
12.6:1 ROI

Actual FY 2024 ROI Q1 &Q2:
This program occurs in Q4 FY 24.

Southern California Tennis Association/USTA BJK Girls $65,000

Return on Investment (ROI)-projected:
2,900 total hotel room nights
$751,500 @ $259 ADR
11.6:1 ROI

Actual FY 2024 ROI Q1 &Q2:
2,977 total hotel room nights
$639,474 @ $214.83
9.8:1 ROI

Southern California Tennis Association Foundation/Cymbiotika SD Open $95,000

Return on Investment (ROI)-projected:
3,259 total hotel room nights
$811,491 @ $249 ADR
8.5:1 ROI

Actual FY 2024 ROI Q1 &Q2:
This program occurs in Q3 FY 24.

Youth Tennis San Diego/USTA Adult National Championships $50,000

Return on Investment (ROI)-projected:
2,226 total hotel room nights
$509,754 @ $229 ADR
10.2:1 ROI

Actual FY 2024 ROI Q1 &Q2:
1,494 total hotel room nights
$342,126 @ $229 ADR
6.8:1 ROI

Wonderfront $250,000

Return on Investment (ROI)-projected:
13,211 total hotel room nights
$3,012,108 @ $228 ADR
12.1 ROI

Actual FY 2024 ROI Q1 &Q2:
This program occurs in Q4 FY2024.

La Jolla Historical Society – Concors D'Elegance $74,500

Return on Investment (ROI)-projected:
8000 total hotel room nights
$2,976,000 @ $372 ADR
39.9:1 ROI

Actual FY 2024 ROI Q1 &Q2:
This program occurs in Q4 FY 24

Southern California Tennis Association Foundation/San Diego Open $135,000

Return on Investment (ROI)-projected:
4,375 total hotel room nights
$1,001,875 @ $229 ADR
7.4:1 ROI

Actual FY 2024 ROI Q1 &Q2:
3,956 total hotel room nights
$957,404 @$242.02
10:1 ROI

Petco Park Events/San Diego Rodeo $150,000

Return on Investment (ROI)-projected:
6,000 total hotel room nights
$1,254,000 @ $209 ADR
8.4:1 ROI

Actual FY 2024 ROI Q1 &Q2:
6,298 total hotel room nights
$1,522,631 @ $241.75 ADR
10.2:1 ROI

Bon Temps Social Club/Gator by the Bay Festival $70,000

Return on Investment (ROI)-projected:
1,675 total hotel room nights
$383,575 @ $229 ADR
5.5 ROI

Actual FY 2024 ROI Q1 &Q2:
This program occurs in Q4 FY2024.