



**SAN DIEGO TOURISM PROMOTION CORPORATION
SPECIAL BOARD OF DIRECTORS MEETING
Hyatt Regency Mission Bay Spa and Marina
1441 Quivira Road, San Diego, CA 92109
Friday, April 24th, 2009
8:30 am to 12:00 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 8:38 a.m.

Board members present: Terry Brown, Bill Evans, Mohsen Khaleghi, Keri Robinson, Bob Rauch, Ray Warren and Richard Bartell.

Board members absent: Luis Barrios and Patrick Duffy.

Also in attendance: Lorin Stewart, Executive Director, Jere Batten, Batten Accountancy Inc., and John Lambeth, legal counsel.

PUBLIC COMMENT: Joe Terzi, President of Convis, gave an update on the ad campaign. Since April 1st, website traffic is up about 30%; Room nights sold are up 50%; and revenue is up 14%.

Kerri Verbeke Kapich, Convis, reported on the groups efforts to maximize value for purchases.

Cami Matteson announced that on May 1st the San Diego North CVB would hold a meeting from 7:45 – 10:00 a.m. in Rancho Bernardo.

ACTION ITEMS:

- 1. There was one change to the Minutes from the SDTPC Board of Directors meeting of March 26, 2009. Bill Evans was incorrectly referred to as Bob Evans. A motion was made by Ray Warren to approve the minutes. There was a second from Bill Evans. Yes 7, No 0, Abstain 0.**
- 2. Maximizing the Centennial Celebration of the 1915 Panama – California Exposition: Bill Evans gave a report to the Board on the opportunities associated with the Balboa Park centennial. The supporters are looking at strategies to make this event a state/national/international celebration not just a local celebration. Ray Warren stated that he loved the idea and asked about matching funds for the event. Mr. Evans stated that there is a need for marketing money early and that matching funds will come later for other projects. Mr. Evans also expressed interest in investing early to maximize the**

- event. Terry Brown stated that he agreed with Mr. Evans and added that the Board needs to support this effort. Richard Bartell stated that he likes the idea in concept. Mr. Bartell stated that he is concerned about how the SDTPC might be involved financially. He stated that there are many stakeholders and all should be involved. Bob Rauch stated that he thought it was a good idea but that the SDTPC should not be the only source of funding. A motion was made by Ray Warren to refer this item to the marketing committee. A second was made by Mohsen Khaleghi. Yes 7, No 0, Abstain 0.
3. **FY 2010 Board of Directors Slate of Nominees:**
John Lambeth reviewed with the Board the election procedures and the results of the call for self nominations. Mr. Lambeth stated that no self nominations had been received. Lorin Stewart reported on the upcoming board meeting dates and times; there will be a meeting on May 22 in the morning and a meeting on June 10th at 3:30 p.m. A motion was made by Bob Rauch to accept the Nominating Committee's slate, direct staff to send the ballots, and the change the Board dates from May 21 to May 22 and from June 18 to June 10. A second was made by Richard Bartell. Yes 7, No 0, Abstain 0.
 4. **RFP: "Corporate Communications Planning and Implementation":**
Terry Brown described the proposed RFP to the Board. Richard Bartell asked for a clarification on lobbying activities; Are lobbyist different than public relations. Bob Rauch asked if there was a preference to a firm or an individual. Lorin Stewart clarified that the intent of the RFP is for communications. John Lambeth described the prohibition on using public dollars for political purposes. Mohsen Khaleghi asked if compensation had been included in the RFP. Mr. Stewart stated that it was not and it is yet to be determined. A motion was made by Ray Warren to move forward with the RFP. A second was made by Mohsen Khaleghi. Yes 7, No 0, Abstain 0.
 5. Lorin Stewart gave a report to the Board on the remaining incremental funds available and on the FY 2010 incremental applications that have already been approved. \$455,000 was approved for FY 2009 to go to Convis for the OTA project; \$1,555,000 has already been approved for FY 2010 to go to Convis for OTA project. Mr. Stewart stated that incremental funding for Convis has already been allocated \$1,705,000; \$4,133,266 is being considered for FY 2010 incremental funding.
 6. **FY 2010 Incremental funding application update: MCCSN as Convis Incremental:**
Clara Carter provided the Board with information on the Multi-Cultural FAM Tour. Ms. Carter stated that MCCSN is working closely with Convis. MCCSN reduced the budget from \$300,000 to \$98,000 and Ms. Carter went through each of the budget items for the Board. Ray Warren asked about the marketing of FAM trips versus the marketing of San Diego. Ms. Carter and Joe Terzi clarified the need to market FAM trips. Keri Robinson asked who books the business after the FAM tour is over. Ms. Carter stated that bookings go through MCCSN and Convis. A motion was made by Terry Brown to hold a placeholder of \$98,000 for funding of the FAM tour. A second was given by Bob Rauch. Richard Bartell asked about the coordination between MCCSN and Convis. Mr. Terzi stated that there are still some items that need to be worked out but partnering with Ms. Carter and the MCCSN is important, as is keeping the costs of trips down. Mr. Bartell asked if the return on investment projection was over three years. Ms. Carter stated that it is. Mohsen Khaleghi asked why Convis doesn't use money from its existing budget for the FAM tour. Mr. Terzi stated that Convis does not have a line item for this in its budget. The board then scored the application: Bob Rauch scored the application a 2. Mohsen Khaleghi scored the application a 1. Keri Robinson scored the application a 3. Terry Brown scored the application a 3. Ray Warren scored the application a 2. Bill Evans scored the application a 2 and noted that it was a good tour but there are problems with the structure. Richard Bartell scored the application a 3. The average score was a 2.29.

7. **FY 2010 Incremental Funding Application update: Accessible San Diego as Convis Incremental**
Joe Terzi gave a general overview of the proposal. Mr. Terzi stated that for this group, shows are important, the website is important and that the proposal is still in development. Convis will come back with a more specific funding request. Wes from Accessible San Diego stated that there is good teamwork with Convis and the Convention Center. The group is focused on attending trade shows and outreach to accessible groups. Wes also stated that they are working on an accessible guide and website. Bill Evans stated his strong support for Accessible San Diego. Mr. Evans also asked about the possibility of blending Accessible San Diego into Convis to increase effectiveness. Mr. Terzi stated that Convis could fund the trade shows but not the website. No motion was taken on this item.
8. **FY 2010 Incremental Funding Application Review and Score: Convis – LA Market Spring – Summer Stimulus**
The Board heard a request from Convis for \$1.5 million for this item and stated they would raise another \$1.5 million for TV, Radio and Online advertising. The projected room nights as a result of this funding are 109,851. At an ADR of \$154.83, the estimated revenue would be \$17,007,741. The return on investment is estimated at 11.34. The Board discussed Television advertisements in terms of national cable and the LA Market. Convis clarified that the program is a co-op; Convis is asking SDTPC for \$1.5 million but the total budget for the program is \$3 million. Terry Brown asked about the timing of advance buys. Bill Evans stated that this is a perfect example of leveraging TPC dollars. The Board discussed timing and coordination relative to the co-op partners. The Board then scored the application: Mohsen Khaleghi scored the application a 3. Keri Robinson scored the application a 3. Terry Brown scored the application a 4. Ray Warren scored the application a 3. Bill Evans scored the application a 4. Richard Bartell scored the application a 4. Bob Rauch scored the application a 3. The average score on the application was a 3.43
9. **FY 2010 Incremental Funding Application Review and Score: Convis – Restaurant Week.**
The Board heard a presentation from Convis regarding Restaurant Week. The objective of Restaurant week is to position San Diego as a premier dining destination and thus drive up incremental room nights for hotels. Convis is requesting the TPC pay for promotional packaging, radio sponsorship and online advertising. The total funding request for this application is \$76,941. The approximate incremental room nights resulting from Restaurant Week is 1,850 with an ADR of \$127. The estimated total revenue generated is \$234,950. The return on investment is 3.05:1. The Board then scored the application: Keri Robinson scored the application a 1. Terry Brown scored the application a 2. Ray Warren scored the application a 3. Bill Evans scored the application a 3. Richard Bartell scored the application a 2. Bob Rauch scored the application a 3. Mohsen Khaleghi scored the application a 1. The average score was a 2.14.
10. **FY 2010 Incremental Funding Application Review and Score: Convis – Database (Amex) Marketing**
The Board heard a presentation from Convis regarding database marketing with American Express. The idea is to target patrons who stay at luxury and upscale hotels; there are 55 on the target list within the San Diego Tourism Marketing District. Convis proposes to do a mailer based on the Amex database of luxury customers. The proposal request is for \$350,000 (\$100,000 of which would go to pay for a DVD). The return on investment is estimated at 3:1. Richard Bartell stated that he is concerned about spending TMD dollars to benefit only high end properties. Mohsen Khaleghi stated that

- he agreed with Mr. Bartell. Bill Evans stated that he is comfortable with the proposal because 55 hotels is about 30% of the hotels in the district and that's a fairly large group. Ray Warren stated that it is an interesting concept but that it is unlikely to deliver good results. Mr. Bartell stated that it's not likely to be the best use of funds. Joe Terzi of Convis, stated that this proposal gives the TPC access to 300,000 high end customers. Mr. Terzi asked the Board if a small group of high end hotels was willing to match TMD dollars would the Board be more interested in the proposal. The Board then scored the application: Terry Brown scored the application a 1. Ray Warren scored the application a 1. Bill Evans scored the application a 3. Richard Bartell scored the application a 2. Bob Rauch scored the application a 1. Mohsen Khaleghi scored the application a 1. Keri Robinson scored the application a 1. The average score for the application was a 1.43
11. **FY 2010 Incremental Funding Application Review and Score: Convis – Canada Advertising Campaign**
Kerri Verbeke- Kapich presented the Board with a proposal for Canadian advertising campaign which would build upon CTTC advertising already in Canada. The campaign would run twice: once from October to November and then again February to March. The campaign would include newspaper inserts, Co-op display advertising and online travel agencies. The request is for \$250,000; with an assured \$60,000 in co-op advertising. The return on investment is estimated at 3:1. Bill Evans stated that the length of stay from Canadians is longer; we should not use the average 3 day stay, but the real average of a 7 day stay. It was asked how the weak Canadian dollar affects this proposal. Ms. Verbeke-Kapich stated that the media buys are staying level. The Board then scored the application: Ray Warren scored the application a 3. Bill Evans scored the application a 1. Richard Bartell scored the application a 3. Bob Rauch scored the application a 1. Mohsen Khaleghi scored the application a 4. Keri Robinson scored the application a 2. Terry Brown scored the application a 1. The average score for the application was a 2.14.
12. **FY 2010 Incremental Funding Application Review and Score: The Old Globe**
Keri Robinson recused herself from this item due to her involvement with The Globe. The proposal is for a drive market campaign to attract Los Angeles audience members to the Old Globe Theatre in San Diego. The campaign would promote four Globe productions and two world premier musicals. These are the first productions for the new \$22 million theatre center. The return on investment is estimated at 6.5:1. Richard Bartell asked if the group had any money currently earmarked for out-of-market advertising. They do not. Mr. Bartell asked if there was any way of tracking whether their target audience was already planning on staying in San Diego. The group does not have any specific way of tracking but they can judge it by when the patrons buy tickets. Bob Rauch stated that this is a good item to consider. Bill Evans stated that this was a great presentation; that it was clear and measurable. The Board then scored the application: Bill Evans scored the application a 4. Richard Bartell scored the application a 3. Bob Rauch scored the application a 3. Mohsen Khaleghi scored the application a 4. Terry Brown scored the application a 3. Ray Warren scored the application a 3. The average score on the application was a 3.33.
13. **FY 2010 Incremental Funding Application Review and Score: San Diego International Auto Show**
The Board heard a presentation on the San Diego International Auto Show. Approximately 150,000 people attend the San Diego International Auto Show. The group is requesting \$206,000 which would be used to broaden their marketing efforts to many out of town areas. The group would also like to expand on the "staycation" opportunities. They expect to generate 10,000 out of town guests. They have partnered with the San Diego Bowl Association and are working to develop packages. Mohsen

- Khaleghi asked what the marketing budget was for last year. The group had \$160,000 for advertising last year. This year they have proposed to add a social networking component. The budget would be \$160,000 plus the \$206,000 they are requesting from the TPC. Richard Bartell asked if room nights are booked through the show or directly with the hotel. The group stated that it is a little of both. Mr. Bartell asked how many room nights this event may generate. This number is unknown. Mr. Bartell asked how this car show is different from the LA car show. The LA show is a media show. It is not as consumer oriented. The two shows have a similar level of attendance but the San Diego show is more for the consumer. Mr. Bartell asked if the \$206,000 would be spent outside of San Diego market. The group stated yes. Bill Evans stated that there are different types of car shows and that this show is focused on new cars for the consumer market. Mr. Evans expressed concern about the willingness of people to travel to see this type of show and that he is also concerned about funding ongoing programs. The Board then scored the application: Richard Bartell scored the application a 2. Mohsen Khaleghi scored the application a 1. Keri Robinson scored the application a 1. Terry Brown scored the application a 1. Ray Warren scored the application a 3. Bill Evans scored the application a 1. The average score for the application was a 1.5.
14. **FY 2010 Incremental Funding Application Review and Score: San Diego Film Festival**
The Board heard a presentation on the San Diego Film Festival. John Lambeth noted that a specific small group of hotels are identified as participants in this program. Mr. Lambeth reminded the Board to recuse themselves if they have a material financial interest in the item. Keri Robinson recused herself based on W's involvement in the Reel Escape program. The Film Festival brings 16,000 attendees into the Gaslamp District. Ten percent of attendees are out of town guests. This year the festival is proposing to offer a "Reel Escape" package; if a person books 2 room nights they get two all access passes to the film festival which normally retail for \$130 per pass. The group has partnered with 7 hotels and has a budget for the Reel Escape program of \$25,000. The Board then scored the application: Mohsen Khaleghi scored the application a 1. Terry Brown scored the application a 1. Ray Warren scored the application a 1. Bill Evans scored the application a 2. Richard Bartell scored the application a 1. The average score for the application was a 1.2.
15. **FY 2010 Incremental Funding Application Review and Score: Southern California Magazine Group**
The Board heard a presentation from the Southern California Magazine Group. The group is requesting \$102,000. The group coordinates with the Arts Commission which is funded through TOT. Bill Evans stated that this item should fall under the Arts Commission. Terry Brown stated that yes but the Board just voted favorably for the Globe. Mr. Brown stated that it's ok to support one specific group. Mr. Evans asked if this should be arranged like the sports commission and have all the arts applications coordinate together. Mr. Brown stated that the Board needs more specific information about how the expenditure would generate room nights. The Board then had a discussion about arts funding in general and the best ways to combine Convis with other arts spending. There was no motion and no scoring of this application. The Board requested that this applicant work with Convis.

Informational Items:

Chairman's Report – The next Board meeting will be on May 22nd in the morning.

Treasurer's Report – There were no additional items reported on as part of the Treasurer's report.

Executive Director's Report – There were no additional items reported on as part of the Executive Directors report.

CONSENT:

5. None

6. Motion to Adjourn

The meeting was adjourned by Chairman Brown without objection at 12:15 p.m.

Approved _____

Luis Barrios, Secretary

Date _____