



**SAN DIEGO TOURISM PROMOTION CORPORATION
BOARD OF DIRECTORS MEETING
San Diego Convention Center Corporation, Board Room
111 W. Harbor Drive, San Diego, CA
Thursday, March 26, 2009
9:30 am to 12:30 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:35 a.m.

Board members present: Terry Brown, Patrick Duffy, Ray Warren, Bob Rauch, Richard Bartell, Bill Evans, and Keri Robinson (new Board member).

Board members absent: Luis Barrios and Mohsen Khaleghi.

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

PUBLIC COMMENT: Lorin Stewart informed the audience of the public's right to speak.

Wes Johnson, Accessible San Diego, presented their market analysis summary.

Kerri Verbeke Kapich, Convis, presented the new campaign done by Convis. She played a video for the Board and audience. Bill Evans asked about the hiring of people in Los Angeles or San Diego for the videos. Ms. Verbeke Kapich stated that there had been a mix of actors. Joe Terzi (interim Director of Convis) stated that he would strive to utilize San Diego talent and that he would bring this issue up with vendors.

ACTION ITEMS:

- 1. There were no changes to the Minutes from the SDTPC Board of Directors meeting of February 5, 2009. A motion was made by Bob Rauch to approve the minutes. There was a second from Patrick Duffy. Yes 6, No 0, Abstain 0.**

Terry Brown accepted Joe Terzi's resignation. Mr. Brown thanked Mr. Terzi for his service on the Board. The nominating committee has nominated Keri Robinson of Starwood Hotels to the Board. A motion was made by Terry Brown to appoint Ms. Robinson to the Board. Bill Evans seconded the motion. Yes 6, No 0, Abstain 0. Keri Robinson joined the Board.

With Joe Terzi's resignation from the Board, there was a vacancy in the Treasurer position. A motion was made by Terry Brown to nominate and accept Ray Warren as the new treasurer of the SDTPC. Bob Rauch seconded the motion. Yes 7, No 0, Abstain 0.

2. **FY 2009-2010 Incremental Funding Application Review and Score: Convis: Online Travel Agency**
Bill Evans reported to the Board on efforts to fund additional services through Online Travel Agencies. Lorin Stewart stated that the current proposal is for the FY 2009 and FY 2010 funding, for approximately 15 months. Joe Terzi stated that this was a big step forward. Richard Bartell asked about the remaining funds in FY 2009. The current request is for \$2 million for April 2009 through June 2010. The program is to produce 1,072,000 room nights. Room revenue from the program is projected to be \$118 million with an estimated return on investment of 59 to 1. Ray Warren asked about spending more on Expedia. Bob Rauch stated that for the short term this is terrific. Mr. Rauch asked who controls the email database over the long term. Kerri Verbeke Kapich stated that Convis had some rights to the emails. Mr. Stewart then explained the board scoring system. The Board then scored the application: Richard Bartell scored the application a 4. Bob Rauch scored the application a 4. Ray Warren scored the application a 4. Patrick Duffy scored the application a 4. Terry Brown scored the application a 4. Keri Robinson scored the application a 4. Bill Evans scored the application a 4. The average score on the application was a 4.

A motion was made by Ray Warren to spend \$454,000 out of the contingency fund on the Online Travel Agency program for FY 2009. Patrick Duffy seconded the motion. Yes 7, No 0, Abstain 0.

Bob Rauch stated that if the current economic climate continues the estimated TMD revenue for FY 2010 may change from \$25 million to \$24 million. A motion was made by Bob Rauch to approve \$1,555,000 for the Convis' Online Travel Agency program for FY 2010. Terry Brown seconded the motion. Yes 7, No 0, Abstain 0.

3. **FY 2010 Incremental Funding Application Review and Score: TIG Global.**
The Board heard a presentation of a funding application for a new program in the north part of the City from Steve Paganelli of TIG Global. TIG Global is a web marketing group and the purposed program will supplement the San Diego North CVB's existing off-season marketing campaign. Richard Bartell asked about the hotels that would be included in this program. 44 hotels would be included, which represent about 7700 rooms. Cami Mattson said that only TMD hotels would be included in the program. Terry Brown expressed concern about supplemental monies for San Diego North CVB. Ray Warren stated that the Board should focus on the overall San Diego market rather than a narrow area. Bill Evans stated that the Board is not allowed to spend more than 10% on San Diego North. Bob Rauch asked about fees. Richard Bartell asked about the Board's legal constraints on this issue. John Lambeth stated that the legal constraint, which is in the management district plan, is that 10% is the maximum amount of funds that can be given to San Diego North CVB, but that additional monies could be granted to other vendors. Joe Terzi expressed his concern about a separate allocation for San Diego North, but stated that perhaps it would be ok to do a citywide program. Ms. Mattson stated that there is great value in doing area specific campaigns. Ms. Mattson stated this could be done throughout the city and also stated that she was bringing a new idea to the table. Mr. Evans stated that the Board could do an RFP for the region. Mr. Terzi suggested this proposal should go back to the TMD marketing committee. A motion was made by Ray Warren to not vote on the proposal and to refer it to

the marketing committee to meet on a more complete plan. Patrick Duffy seconded the motion. Yes 7, No 0, Abstain 0.

4. **FY 2010 Incremental Funding Application Review and Score: San Diego Asian Film Festival.**
Terry Brown stated that this festival takes place at Town & Country and he has a material financial interest. Mr. Brown recused himself from discussion and voting on this item.
The 2008 Asian Film Festival had 19,760 attendees and booked over 200 rooms. For the 2009 festival, they expect 30,000 plus attendees. The event will take place between October 15th and October 29th in Mission Valley. The target markets for the festival are Asian tourists, film industry leaders, residents of Southern California and San Diego County residents. The group has projected they will book approximately 500 room nights this year. The return on investment is estimated at 2 to 1. Ray Warren asked if all the activities for the festival in Mission Valley. It was stated that there are receptions and events associated with the festival all around the city. Mr. Warren asked if there was a culinary part to the festival. It was stated that they are investigating adding a culinary component. Lorin Stewart stated that the Board would be scoring this application. Bob Rauch asked about any relationship with the San Diego Film Festival. Mr. Rauch stated that the event was below the Board's return on investment threshold and asked why the Board should fund this event. The group stated that they are helping the San Diego Film Commission because people that come to this event are potential clients of the San Diego Film Commission. The group stated that this is a new event and a chance to invest in a new event which has the potential to grow. Richard Bartell stated that it is a great event with great potential, however the return on investment is very low. Mr. Bartell stated that the Board is required to look at the return on investment. The Board then scored the application: Bob Rauch scored the application a 2. Ray Warren scored the application a 2 but noted that the event has a lot of potential but a low return on investment. Patrick Duffy scored the application a 1. Terry Brown recused himself. Keri Robinson scored the application a 2 and stated that it appears to be a great program. Bill Evans was absent for the scoring. Richard Bartell scored the application a 2. The average score was a 1.8.

5. **FY 2010 Incremental funding application review and score:**
SDCC as Convis Incremental: National Business Travel Association (NBTA)
Ray Warren stated that he has a large block with this item and recused himself from the discussion and voting. Sandra Moreno of the Convention Center presented to the board. Ms. Moreno stated that this is a great business development opportunity for the Board for the future, like ASAE. NBTA is the leading business travel association. They estimate there will be 5,000 attendees and 134,000 room nights booked. Joe Terzi stated that he had talked to Sandra and the request is to fund the current event in place. The group is trying to replace funding that has been lost. Mr. Terzi stated it is up to the Board. Lorin Stewart stated this would be a Convis contract. Bob Rauch stated this is very different than a small group; All of the attendees are travel buyers and it is a good idea. Richard Bartell asked how they would calculate the return on investment. Ms. Moreno stated that the focus is on driving room nights. Currently they have very conservative projections about what meetings may be booked in the future. Mr. Terzi stated that the 2009 conference will go on regardless but that this proposal is to make up a current budget shortfall. Mr.

Terzi stated that the Board needs to decide. Patrick Duffy stated that this is an investment in the future. Ms. Moreno stated that if the group is not funded, the opening reception will be cancelled. Ms. Moreno also stated that other destinations give them much more money. Bob Rauch asked about matching dollars. Terry Brown stated that it could be structured for up to a maximum of \$150,000 to be reduced if others contributed. There was a question regarding the Brown Act and whether the Board could vote on this item. John Lambeth stated that yes the general item was noticed and that the Board could vote. The Board then scored the application for a \$150,000 contract with Convis for the NBTA: Patrick Duffy scored the application a 3. Terry Brown scored the application a 4. Keri Robinson scored the application a 3. Richard Bartell scored the application a 3. Bob Rauch scored the application a 4. Ray Warren recused himself from scoring the application. The average score for the application was a 3.4. A motion was made by Bob Rauch to vary from the normal procedure to account for these unusual circumstances and commit to funding up to \$150,000 to be reduced by other matching funds. A second was given by Patrick Duffy who stated that this is a valuable event. Yes 6, No 0, Abstain 1 (Warren).

6. **FY 2010 Board of Director Slate of Nominees:**
John Lambeth explained to the Board various options for the nominating committee and the Board make up. Terry Brown stated that he preferred the second revision to the Bylaws. Richard Bartell stated that he liked revision the same version. Meredith from the City of San Diego stated that the city wants to make sure the Board has a diverse make up, but at the same time cannot force people serve on the Board. The city would like broad representation on the Board. Richard Bartell stated that size of the lodging establishment is less important and that diverse geographical representation is important. A motion was made by Patrick Duffy to approve amendment number two. A second was given by Richard Bartell. Yes 7, No 0, Abstain 0. A motion was made by Bob Rauch to approve the program and ballot language. A second was given by Richard Bartell. Yes 7, No 0, Abstain 0.
7. **Convis FY 2009 Final Budget Allocations**
Joe Terzi talked to the Board about the most recent TMD forecasts. A motion was made by Ray Warren to approve the 2009 Budget for Convis. A second was given by Patrick Duffy. Yes 7, No 0, Abstain 0.
8. **San Diego North CVB FY 2009 Final Budget Allocations**
Cami Mattson presented the San Diego North CVB 2009 budget. Ms. Mattson stated that the budget has been reduced but there has been no reduction in sales or marketing. A motion was made by Ray Warren to approve the 2009 budget for San Diego North CVB. A second was given by Richard Bartell. Yes 7, No 0, Abstain 0.

Presentation / Informational Items:

Convis 2010 Incremental Application Status Review:

MCCSN Multi Cultural FAM tour is restructuring and reducing the costs. MCCSN will bring details back at a future Board meeting.

Eric Lund, CEO of San Diego East CVB, worked with Convis on putting a proposal together. They will be working with Joe Terzi on a package.

Convis stated that San Diego Restaurant Week will be in September and they are working with American Express to sponsor. Convis also stated that the FY 2010 advertising program will be coming back to the Board.

Informational Items:

Chairman's Report – The next Board meeting will be on April 24th at Hyatt from 8:30 to 11:30.

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 12:20 p.m.

Approved _____

Luis Barrios, Secretary

Date _____