FY: 2012

SAN DIEGO TOURISM MARKETING DISTRICT FUNDS

Guidelines and Application

Revision: 09.01.10
With Sample Attachment B

San Diego Tourism Marketing District

Mission:

The San Diego Tourism Marketing District is a nonprofit mutual benefit corporation dedicated to improving tourism and hotel room night consumption in the City of San Diego.

Purpose:

The specific purpose of this private, non-profit corporation is to create a positive economic, fiscal, and employment impact on the lodging businesses in the City of San Diego through the effective and judicious allocation of its revenue and resources to measurably successful tourism promotion, marketing and advertising programs.

Board of Directors:

C. Terry Brown, Chair
Richard Bartell, Vice Chair
Luis Barrios, Secretary
Ray Warren, Treasurer
Patrick Duffy
Bill Evans
Mohsen Khaleghi
Bob Rauch
Keri Robinson

Staff:

Lorin Stewart, Executive Director

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

SAN DIEGO TOURISM MARKETING DISTRICT

OVERVIEW:

What is a Tourism Marketing District?

The San Diego Tourism Marketing District follows the model of Tourism Business Improvement Districts (BID's) that utilize the efficiencies of private sector operation in the market-based promotion of local and regional tourism. Tourism BID's, such as the SDTMD allow lodging and other tourism-related business owners to organize their efforts to increase tourism. In San Diego, lodging business owners within the district assess themselves to fund the District and those funds are used to provide programs and services that specifically benefit the assessed lodging businesses.

History:

As a result of diminishing public resources available for effective and competitive destination marketing, local lodging industry leadership began discussing alternative funding sources and available options in 2003. A working group comprised of lodging industry representatives held dozens of meetings with proposed assessed businesses, stakeholder groups and interested parties. On May 8, 2007 the San Diego City Council adopted an enabling Procedural Ordinance that allowed for the formation of a Tourism Marketing District. In December of 2007, the qualifying businesses voted to establish the assessment district, and the ***Tourism Marketing District (TMD)*** was approved by San Diego City Council.

The Tourism Marketing District began on January 1, 2008.

Location:

The Tourism Marketing District is citywide, inclusive of all areas within the city limits of the City of San Diego. A map of the District is included with the San Diego Tourism Marketing District Management District Plan.

Funding Source Entirely from Assessed Businesses:

The TMD assessment is designed to benefit, and is levied upon, lodging businesses with 70 or more sleeping rooms in the City of San Diego. Business means any and all types of hotels where a structure, or any portion of a structure, is held out to the public as being occupied, or designed for occupancy, by transients for dwelling, lodging or sleeping purposes. The owner(s), operator(s), or an authorized representative who is noted on City records as the responsible party for remitting and reporting Transient Occupancy Tax for each lodging business is responsible for paying the assessment.

The annual assessment is based upon 2% of gross room revenue from transient stays in the lodging business as described above.

FY2012

SDTMD FUNDING APPLICATION

GUIDELINES AND REQUIREMENTS

GUIDELINES AND REQUIREMENTS

The San Diego Tourism Marketing District is not a marketing entity, but rather a funding conduit for the development and implementation of effective marketing programs and services that benefit the assessed businesses within the District. SDTMD is responsible for the allocation and distribution of the available revenue and will contract with qualified third-party vendors to supply marketing programs and services as required and approved by the Board of Directors.

The San Diego Tourism Marketing District will contract for marketing programs and services to promote the City of San Diego as a tourism destination and to fund projects, programs, and activities that specifically benefit the assessed hotels within the boundaries of the District.

General Guidelines:

a) 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 marketing and communication technologies.

b) Marketing Programs and services will take many traditional and /or innovative forms based upon the target market and proposed strategy and tactics for implementation. Therefore, marketing programs and services could include, but shall not be limited to:
   - i) advertising;
   - ii) marketing promotion;
   - iii) direct sales;
   - iv) press and/or public relations;
   - v) new product development;
   - vi) prospective marketing; visitor services;
   - vii) market research;
   - viii) e marketing & web strategies;
   - ix) partnership marketing; and
   - x) special events / promotion

c) Marketing programs and services will seek to *benefit all assessed hotels within the boundaries of the Tourism Marketing District* through a diverse mix of projects, programs and activities. It is recognized that all marketing programs and services will have multi-level benefits to the hotels in the District. Primary benefits will be realized directly by hotels in the target market area or market segment served by a particular contract program or service. Secondary benefits will be realized by all assessed hotels in the District through the successful implementation of marketing programs and services that increase hotel occupancies, reduce available hotel inventory and create compression within the marketplace.

d) Each applicant for funding will be required to submit an "Application Request for TMD Funding" that will require significant information about the applying organization or entity, as well as a specific proposal for how the requested funds will be spent, the expected result, and the proposed method for measuring results.

Funding Requirements:

a) Fundamental to the funding of any application will be the clearly articulated benefit to assessed hotels in the City of San Diego. **While benefit may be delivered in numerous ways, by far the most important benefit will be measured in the delivery of hotel room nights within the City of San Diego's Tourism Marketing District. Successful applications will clearly describe the strategy and tactics for delivering room nights as well as the number of room nights and estimated gross room revenue projected.**

   Additionally, the method for calculating and verifying the ROI results must be described.

b) When considering these fundamental application requirements, priority will be given to:
   a. Special need periods of the year;
   b. Special need geographic locations within the City of San Diego; and
   c. Incremental **new** room nights from existing programs or sponsoring programs.

Determining Return on Investment (ROI):

a) All successful applicants, including the organizations receiving guaranteed annual funding, will clearly demonstrate a measurable Return on Investment (ROI) for the programs or services they propose. Applicants must develop and demonstrate their suggested method of measuring ROI for their particular program as part of their application and their quarterly performance reports**. All ROI results may be subject to a third-party audit.

   The current Average Daily Rate (ADR) from Smith Travel Research (STR) for San Diego City hotels will be used as the factor to determine the ROI.

***** Please refer to attached APPENDIX A: "Metrics Criteria for the San Diego Tourism Marketing District-ROI Measurement Policy ".***

Oral Presentation:

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

Agreement Between Contractor and SDTMD:

a) Each Applicant awarded funds must then submit an electronic copy of their Proposal (Scope of Work) and Budget adapted to reflect the awarded amount within 30 days of the receipt of the notice of funding or by February 28, 2011, whichever is earlier. This applies for all Annual Funding recipients.

b) Once the Board of Directors has approved funding and the SDTMD budget is approved by the City Council, an Agreement will be issued to the successful applicants. The Agreement will specify the terms and conditions of the arrangement, including the organization's scope of work, the amount of funding, the limitations associated with the funding, anticipated results, and mutually agreed upon method(s) for measuring those results. The Contractor shall be required to execute such an Agreement prior to receiving SDTMD funds.

Cost Reimbursement:

All funds are awarded on a cost reimbursement basis. All items for reimbursement must include proof of payment of the expense. Reimbursement requests may be submitted on a monthly basis or less frequently as arranged with staff. There can be no payment in advance, unless approved by the board for special circumstances and in compliance with the SDTMD contract with the City.

Performance Reports:

Performance Reports will be required quarterly detailing the target and actual outcomes by type of activities, specific marketing initiatives, etc. These quarterly reports must detail the way in which all assessed businesses (TMD hotels) are benefited, along with the details of all TMD funds expended.

Applicants must detail their method of measuring and tracking ROI for their particular program as part of their performance reports. All ROI results will be subject to a third-party audit (*see attached APPENDIX A: "Metrics Criteria for the San Diego Tourism Marketing District-ROI Measurement Policy").*

FY 2012 Quarterly Performance Report Schedule: Provides two months to file each quarterly report

Quarter One: July 2011- September 2011	Due November 30, 2011
Quarter Two: October 2011-December 2011	Due February 29, 2012
Quarter Three: January 2012-March 2012	Due May 31, 2012
Quarter Four: April 2012-June 2012	FY 2012 ANNUAL REPORT Due August 31, 2012

FUNDING ELIGIBILITY

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

Tourism Mission: While an applicant's primary mission need not be tourism related, the applicant's mission must include an acknowledgement of tourism marketing as a component of that mission.

Use of Funds: An applicant's income from the SDTMD must be solely used for the purpose of fulfilling the tourism-marketing portion of its mission as articulated in its application for funding.

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

Location: Regardless of where an applicant is headquartered or physically located, or where a particular marketing program is implemented, 100% of the funding received from the SDTMD must be applied for, or in support of, programs designed for the measurable benefit of assessed hotels (lodging businesses) within the City of San Diego.

Compliance: Former contractors of the City of San Diego must have submitted acceptable final report packages on any completed contract and be in good standing with the City.

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

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

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

FUNDING LIMITATIONS

1) TMD assessment funds cannot be used for alcoholic beverages. Corporation's subcontractors shall not use TMD assessment funds for travel, meals, lodging, or entertainment expenses, unless authorized by SDTMD in advance, as provided by the Contract with the City.

2) SDTMD subcontractors shall not be paid for any expenditure that has been (or should be) properly charged to any funding source other than the TMD assessment fund, nor paid for expenditures which are ineligible under applicable City policies.
3) TMD assessment funds shall not be used for political activity. The term, "political activity" shall mean a communication made to any electorate in support of, or in opposition to, a ballot measure or candidate in any federal, state or local government election.

In addition, expenditures are prohibited for the following and are not to be included in the proposed Contractor budget:

a) Programs which have already been completed by July 1, 2011.
b) 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.
c) The closing, opening, widening or narrowing of existing or new streets.
d) Facilities or equipment, or both, to enhance security and safety of persons or property within the area, unless included in a specific proposal to benefit the assessed businesses.
e) Regular public safety and security personnel and programs, maintenance and repair, sanitation, nor other municipal services normally and historically provided by the City to the area.
f) Expenditures not consistent with the terms of the District Management Plan.
g) Capital Outlay for improvements and / or construction of buildings or facilities, or capital outlay for the purchase of equipment.
h) Programs not accessible to people with disabilities.
i) Tuition assistance payments or reimbursements.
j) Trusts or endowment funds.
k) Job training or job placements.
l) Indirect cost recovery.
m) Penalties, fines or late charges.
n) Gifts, contributions, or donations.

ADDITIONAL REQUIREMENTS

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

a) Commercial General Liability Insurance, providing coverage for bodily injury, including death, personal injury, and property damage with limits of at least Two Million Dollars ($2,000,000) per occurrence, subject to an annual aggregate of at least Four Million Dollars ($4,000,000);

b) Automobile Liability Insurance, providing coverage for all bodily injury and property damage, with a limit of at least One Million Dollars ($1,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) on the Premises. Coverage shall be written on ISO form CA00 01 12 90, or a substitute form providing equivalent liability coverage; 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 One Million Dollars ($1,000,000).

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

Promotional Material Requirement: SDTMD funded entities shall include a credit line acknowledging the **SDTMD grant of TMD funds** for financial support on all promotional materials (including but not limited to, brochures, newsletters, advertising, fact sheets, news releases, and Internet web sites): An example of a credit line might be: ***"Funded in part by the San Diego Tourism Marketing District Funds".*** Such acknowledgement shall be prominently displayed on all related promotional material.

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

No Political Activity: Contractor shall not use and require its subcontractors not to use, any of the funds received pursuant to this Agreement, or any personnel or material paid for with funds pursuant to the SDTMD agreement, for political activity. The term "political activity" shall mean a communication made to any electorate in support of, or in opposition to, a ballot measure or candidate in any federal, state or local government election.

Operating Manual: Notwithstanding any other provision in the SDTMD Agreement, Contractor shall comply with the City of San Diego Operating Manual, including without limitation those provisions related to fiscal accountability, eligible and ineligible project expenditures, and procedures for financial management, accounting, budgeting, record keeping, reporting, and other administrative functions. Contractor shall seek and obtain

SDTMD's prior written approval of any deviation from the Operating Manual's prescribed practices and procedures.

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

HOW DO I APPLY?

GETTING STARTED

Request for Application Form: All new and returning applicants may obtain an application in MS Word by contacting Lorin Stewart, Executive Director, at (619) 209-6108 or lstewart@SDTMD.org. Applications may also be downloaded from the SDTMD website at: www.SDTMD.org .

Who to call: If you have any questions regarding the San Diego Marketing District funding eligibility or policy, please contact Lorin Stewart, Executive Director, at (619) 209-6108 or lstewart@SDTMD.org. . Background information may also be downloaded from the SDTMD website at: www.SDTMD.org .

Application Categories: Applications are categorized by the eligibility criteria below:

1) Annual Funding: The SDTMD Fiscal Year 2012 begins on July 1, 2011 and ends on June 30, 2012. **Regardless of delivery method, all organizations applying for "annualized" funding for this period must have their completed application packets submitted to the SDTMD office by 5:00 p.m. on Friday, October 22, 2010. Applications received after the deadline will not be accepted.**

2) Short Term / Incremental / Special "Spot" Initiatives:
After All Annual Funding Programs have been reviewed and allocated by the SDTMD Board and if TMD funds are available, qualifying organizations may apply for Incremental programs such as a single event or a specialized advertising / marketing promotion. All such 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 strongly recommended that a preliminary discussion with the Executive Director is scheduled prior to the submittal of the application.

Process for Organizations with Fixed Funding:

The SDTMD contract with the City of San Diego mandated that two organizations receive fixed funding for the life of the current contract. The two organizations are the San Diego Convention and Visitors Bureau and San Diego North Convention and Visitors Bureau.

By contract, the San Diego Convention and Visitors Bureau shall receive a minimum of 50% of the TMD assessment and may apply for incremental funding; while the San Diego North CVB is given a 10% minimum and maximum of the TMD assessment collections, and is not eligible for incremental funding.

Though the amount of base funding is stipulated, the SDTMD Board has a specific contractual obligation with the City "to establish measurable target outcomes for marketing programs and services, including return-on-investment and other criteria, for *fixed allocations* and funds awarded through the application process." (Doc RR 30362 sec 3.5.1) (Emphasis added.) In short, the distribution of the TMD funds to all recipient organizations, regardless of fixed or variable, is subject to oversight by the SDTMD Board of Directors to ensure that the return on investment to the assessed businesses (hotels) is maximized.

With the majority of the Tourism Marketing District Funds directed to the two CVB organizations, it is critical that the annual funding cycles for all funded organizations be aligned. Additionally, it is essential that the specific sales and marketing initiatives proposed for each fiscal year are clearly detailed (with projected Budgets and ROI) in order to ensure that the SDTMD Board is able to award other annualized and incremental programs in concert with the programs receiving fixed funding.

As such, the San Diego Convention and Visitors Bureau and the San Diego North Convention and Visitors Bureau must present their Proposed Scope of Work Narrative, supporting Preliminary Budget detailing the use of TMD funds, and a projected Return on Investment (ROI) in hotel room night consumption, as required by the City**. The deadline for submittal of these items to the SDTMD is: 5:00 p.m. on October 22nd, 2010.**

The application format detailed in this document is to be used for the submittal.

Public Presentation to the SDTMD Board: After receiving the FY 2012 proposed Scope of Work and Budgets from the San Diego Convention & Visitors Bureau and San Diego North Convention and Visitors Bureau, the SDTMD will schedule each respective organization to present their FY 2012 proposed Scope of Work, Budget of Proposed Use of TMD Funds, and ROI projections in hotel room night consumption to the Board of Directors for review and approval at a public meeting. **The FY 2012 funding recommendations for ConVis and SD North CVB will be determined by the TMD Board prior to considering any other Annual Application.**

TECHNICAL ASSISTANCE

Consultations: Applicants are encouraged to take advantage of individual consultation by SDTMD staff. The assistance provided will be limited to guidance in the completion of the application and in understanding the eligibility requirements. Receiving staff consultation does not guarantee funding.

Site Visits by Staff and Board: The SDTMD may at its discretion arrange site visits with contractors and potential applicants.

PREPARING THE APPLICATION

Preparation Instructions: To help us prepare your application for Board review, please adhere to the guidelines below.

-Present the application in the order and format requested. Failure to do so may result in the disqualification of your application.

-All sections of the application must be typewritten in black ink in an easy to read format and font.

-All material is to be submitted on one-sided, 8.5 x 11 inch white paper. Marketing collateral is an exception to this requirement.

-All audio-visual materials must be clearly labeled with the applicant's name and title of the piece.

- The application in MS Word is available by email request directed to Executive Director, Lorin Stewart. Mr. Stewart's email is : lstewart@sdtmd.org

-The application is available for download from the San Diego Tourism Marketing District website: www.SDTMD.org . Click on the "Funding, Applications, Guidelines & Requirements" tab.

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

- ☐ **Signed Application Cover Page**
- ☐ **Proposed Scope of Work Narrative**
- ☐ **Attachment A: FY 2012 Budget for Proposed Scope of Work**

- ☐ **Attachment B: Targeted Return on Investment In Hotel Room Night Revenue Worksheet**
- ☐ **Attachment C: Personnel Schedule:** Required for all positions being claimed against San Diego Tourism Marketing District Funds.
- ☐ **Board of Directors List (if applicable):** List of Board of Directors including business names and addresses.
- ☐ **Disclosure of Business Interests (if applicable):**
- ☐ **Work Force Report:** Completed City of San Diego Work Force Report
- ☐ **Certificate of Good Standing:** Online printout from Secretary of State and Franchise Tax Board www.ss.ca.gov/business. All required filings must be current and the status of the business / corporation must have a current "Active" status.

Non Required Attachments: The following items may be included to help the Board evaluate your proposal:
-Clippings and samples from similar events or ad campaigns.
-Audio visual documentation including PowerPoint presentations.
-Websites (maximum 5 pages of each site).

Number of Copies: One original and Eleven (11) copies of all items listed above are required for submittal (total 12).

Packaging Directions:
When completing the packets, please keep the following information in mind:
-Label each page with the organization name and page number.
-Use binder clips: **Do not staple or bind any pages**.
-**Three (3) hole punch all pages**.
-Maintain a margin of at least 0.5".
-Always leave enough space to make the information legible.
-Use a font size of 12 point or larger.
-Keep responses clear and to the point.
-Submit One original and Eleven (11) copies of all items listed above (total 12).

Submit your application to:

San Diego Tourism Marketing District
Attention: Mr. Lorin Stewart, Executive Director
8880 Rio San Diego Drive, Suite 800
San Diego, CA 92108

APPLICATION REVIEW PROCESS

PRELIMINARY REVIEW BY STAFF:
SDTMD Executive Director shall review each application and consider:
-The thoroughness of application and format.
- The proposed programs ROI
-The appropriateness of the proposed program goals and objectives.
-The quality of the responses to the review criteria including the strength of the program's collateral and support materials.
-The current and past contractual performance / standing with the City of San Diego and/or other governmental agencies.
-Disclosure of other pending or granted public funding for the fiscal year in question.

SDTMD BOARD REVIEW OUTLINE:
Eligible applications will be forwarded by staff to the SDTMD Board for review. Except for the annual review of funding for the San Diego Convention and Visitors Bureau and the San Diego North Convention and Visitors Bureau, the SDTMD application review process will consist of **two phases** to be held in a public meeting format.

I . San Diego Convention and Visitors Bureau and San Diego North CVB:
After receiving the FY 2012 proposed Scope of Work and Budgets from the San Diego Convention & Visitors Bureau and San Diego North Convention and Visitors Bureau, the SDTMD will schedule each respective organization to present their FY 2012 proposed Scope of Work, Budget of Proposed Use of TMD Funds, and ROI projections in hotel room night consumption to the Board of Directors for review and approval at a public meeting. **The FY 2012 funding recommendations for ConVis and SD North CVB will be determined by the TMD Board prior to considering any other Annual Application.**

II. Annual Funding Competitive Application Review:
Phase One: The SDTMD Board will review and discuss all other competitive applications individually at public board meetings. *Applicants may be requested to provide an oral/multimedia presentation not to exceed 10 minutes, unless otherwise directed by the SDTMD Board.* These presentations shall coincide with the application review and will be scheduled by the SDTMD in advance. **It is expected that Phase One will take a number of months to complete until all applications and presentations have been publically reviewed.**

Phase Two: After the formal application review process (Phase One) is complete for all annual applicants, all programs will be prioritized by the SDTMD Board. At a public meeting, the Board will then evaluate the relative value and need of each program and determine the level of funding, if any, of each program based upon the "Phase One" reviews, recommendations, and the estimated availability of funds. **There is no guarantee of funding for any competitive application.**

III. Short Term / Incremental / Special "Spot" Initiatives Review:
After all Annual Funding applications (submitted by the October 22, 2010 deadline) have been reviewed, FY 2012 funding allocations have been recommended by the SDTMD Board, and if TMD funds are available, qualifying organizations may apply for Incremental "Spot" Initiative programs such as a single event or spot advertising promotion. Qualifying "short term" initiatives may be applied for after the October 22, 2010 deadline. All such 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 strongly recommended that a preliminary discussion with the Executive Director is scheduled prior to the submittal of the application.

As these initiatives will be periodic through the year and, by nature, not subject to the funding deadline of the annual programs, it is possible that only one proposal might be presented to the SDTMD Board for review at a public meeting. In this case, Phase One and Phase Two may be combined with funding determined immediately upon Board review. If more than one initiative or organization is reviewed, then the following format will be used:

Phase One: The SDTMD Board will review and discuss each application individually at public board meetings. *Applicants may be requested to provide an oral/multimedia presentation not to exceed 10 minutes, unless otherwise directed by the SDTMD Board.* These presentations shall coincide with the application review and will be scheduled by the SDTMD in advance.

Phase Two: After the formal application review process (Phase One) is complete for all incremental applicants, all programs will be prioritized by the SDTMD Board. At a public meeting, the Board will then evaluate the relative value and need of each program and determine the level of funding, if any, of each program based upon the "Phase One" reviews, recommendations, and the estimated availability of funds. **There is no guarantee of funding for any competitive application.**

APPEALS PROCESS
Written appeals may be made after Phase One ranking. In a public meeting, the SDTMD Board shall consider appeals and will vote on final recommendations.

Appeals may be based only on two possible grounds:
-A material misstatement(s) by the Board during the review process of factual information contained within the application such that it negatively influenced the Board's evaluation of the applicant's request for funding; and, or
-Incorrect processing of the required application materials such that it negatively influenced the panel's evaluation of the applicant's request for funding.

Dissatisfaction with an application's denial or ranking is not sufficient grounds for an appeal. Additionally an appeal may not be used to correct incorrectly stated or omitted information made by the applicant in the application.

The FY 2012 Funding Cycle

Except for the Application Deadline, all dates are approximate and may change without notice.

September 18 – December 2010 / January 2011:

- FY 2012 Applications available upon request
- Preliminary staff review of applications received
- Formal board reviews of qualified applications
- **FY 2012 Application Deadline: October 22, 2010**

Late January / February 2011:

- Funding recommendations of programs by board
- Notification of funding intention

February 2011:

- FY 2012 Budgets from approved organizations due on February 28, 2011

March 2011:

- SDTMD submits FY2012 Budgets with R.O.I. projections and Scope of Work assumptions to City.

May-June 2011:

- FY 2012 Budget presentation to City Budget Finance Committee / City Council
- FY 2012 Contracts Issued

July 1, 2011:

- FY 2012 Begins
- Contracts Issued (cont.)

FY 2012 Application Cover Pages
For San Diego
Tourism Marketing District Funds

APPLICANT ORGANIZATION NAME:

_____

Mailing
Address:_____

_____

Telephone:_____FAX:_____

Website:_____

Primary Contact Information:

Name:_____ Title:_____

Telephone:_____ FAX:_____

Email: _____

Website (if different from above):_____

BRIEF DESCRIPTION OF YOUR ORGANIZATION OR COMPANY:

YOUR ORGANIZATION MISSION STATEMENT OR STATEMENT OF PURPOSE:

YOUR ORGANIZATION'S PROGRAMS AND SERVICES:
Briefly describe your core programs and services and describe any plans for change, growth, or reduction in the proposed year. Please limit your response to one page.

IS YOUR ORGANIZATION A NON-PROFIT ORGANIZATION? Yes / No
If Yes:

1) **Board of Directors Disclosure**: On a separate sheet, describe the roles and responsibilities of your Board of Directors and attach a roster of your current Board and Officers to the SDTMD Application

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

IS YOUR ORGANIZATION A FOR-PROFIT ORGANIZATION? Yes / No

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

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

CPA REVIEW/AUDIT (Please answer the following questions)

Does your organization receive an audit*? ❑ Yes ❑ No

If not, were unaudited financial statements prepared? ❑ Yes ❑ No

Was a copy of the audit report/financial statements submitted to the City? ❑ Yes ❑ No

What period is covered by your most recent audit report/financial statements: _____

Does your Board of Directors receive and discuss the management letter from the audit report? ❑ Yes ❑ No

NOTE: *Contractors receiving $75,000 or more in federal, state, City and/or SDTMD funds shall have Financial Statement Audits prepared in accordance with GAAP and audited by an independent Certified Public Accountant, in accordance with Generally Accepted Auditing Standards [GAAS]. This audit report shall include the following statements:*

a) a statement of expenditure of SDTMD funds by program, to be identified in the same expenditure classifications as contained in the final budget and compared with the budgeted amounts;
b) a statement of revenues and expenditures, and a balance sheet of all funds received by Corporation; and
c) a statement certifying compliance with all terms and conditions of the SDTMD's contract with Contractor, and that all required reports and disclosures have been submitted, completed by an executive officer of Corporation.
Contractor shall provide the SDTMD a copy of the Financial Statement Audit within 150 calendar days of the end of Contracrtor's last complete fiscal year.

Will your organization receive any other public funding in FY 2012? ❑ Yes ❑ No

If "Yes", list funding source(s), amount of funding, and dedicated use of funds:

_____

_____

_____

Is your organization applying for any other public funding in FY 2012? ❑ Yes ❑ No

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

_____

_____

_____

SDTMD CONTRACT COMPLIANCE (Returning Applicants only)

For the most recent fiscal year - has your organization filed quarterly reports? ❑ Yes ❑ No:
What period is covered by your most recently submitted report:_____

REQUIRED ATTACHMENTS (Please check off prior to submittal)

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

- ☐ **Signed Application Cover Page**
- ☐ **Proposed Scope of Work Narrative**
- ☐ **Attachment A: FY 2012 Budget for Proposed Scope of Work**
- ☐ **Attachment B: Targeted Return on Investment In Hotel Room Night Revenue Worksheet**
- ☐ **Attachment C: Personnel Schedule:** Required for all positions being claimed against San Diego Tourism Marketing District Funds.
- ☐ **Board of Directors List (if applicable):** List of Board of Directors including business names and addresses.
- ☐ **Disclosure of Business Interests (if applicable):**
- ☐ **Work Force Report:** Completed City of San Diego Work Force Report
- ☐ **Certificate of Good Standing:** *Online printout* from Secretary of State and Franchise Tax Board www.ss.ca.gov/business. All required filings must be current and the status of the business / corporation must have a current "Active" status.

Authorized Signatory / Title:_____

Signature:_____ Date:_____

FY 2012 Application

On separate paper, respond to criteria item numbers one (1) through five (5) below. Number and label your response to each item. Please limit your narrative response to 5 pages or less*:

1) Proposal for Scope of Work:

- **Describe in detail the scope of work of your proposed marketing / promotional program and/or event.**
- **Describe how your event or promotion will support the current San Diego branding efforts.**
- **Describe how you will be working in collaboration with other TMD funded organizations and programs to maximize the effectiveness of Tourism Marketing District Funds.**

2) Applicant Qualifications:

Describe how your organization is uniquely qualified to provide the proposed program or initiative.

3) Budget Assumptions for use of Tourism Marketing District Funds:

Referencing the Budget of Proposed Scope of Work (Attachment "A"), provide a supporting narrative of your proposed budgeted allocation of TMD funds requested.

4)Targeted Return on Investment (ROI) in TMD Hotel Room Nights:

Referencing the ROI Worksheet (Attachment "B"), describe your projected return on investment in TMD hotel room night revenue and the benefit that will be realized to the entire assessment district (TMD hotels within the city limit of San Diego). Specifically detail "Who" in the assessment district will be directly benefited (hotels), "When" the benefits will be realized, "Where" in the assessment district the benefit will be realized, and "How" you proposed to realize and track the results. **Describe what specific actions you have taken and the resources you will or have used to determine your ROI estimate**. If a third party will be used to determine the ROI, list the company, their qualifications, and contact information.

5)Progress / Success Measurement and Timing: By contract, quarterly reports detailing the progress of each funded program and the ROI, including the method of determining the ROI, are required by both the SDTMD and the City of San Diego. Describe what tools or device (surveys or other sources) will be used to measure the projected results from your proposed program.

***If the proposed SDTMD funding represents more than 50% of the organizations' annual budget, then a full operational line item budget detailing the use of the TMD funding will be required, and the 5 page limit is waived.**

ATTACHMENT A

San Diego Tourism Marketing District
FY 2012 Budget for Proposed Scope of Work

APPLICANT ORGANIZATION:_____

TOTAL TMD FUNDS REQUESTED: $_____

TOTAL ANNUAL OPERATING BUDGET
OF APPLYING ORGANIZATION: $_____

SUMMARY OF PROPOSED USE OF TMD FUNDS- "BUDGET"

MARKETING		$_____
Advertising	$_____	
Public Relations	$_____	
Personnel Wages /Salaries*	$_____	
Commissions / Bonuses*	$_____	
Personnel Tax and Benefits	$_____	
Special Promotions	$_____	
Other (specify)	$_____	
SALES		**$_____**
Collateral	$_____	
Lead Generation	$_____	
Technology	$_____	
Personnel Wages /Salaries*	$_____	
Commissions / Bonuses*	$_____	
Personnel Tax and Benefits	$_____	
Other (specify)	$_____	
OPERATIONS / ADMINISTRATION		**$_____**
Personnel Wages /Salaries*	$_____	
Commissions / Bonuses*	$_____	
Personnel Tax and Benefits	$_____	
Other (specify)	$_____	
TOTAL PROPOSED EXPENSES: (Must equal TMD Funds requested)		$_____

*** Must include "Attachment C": Personnel Schedule-FY2012 for all positions being claimed against San Diego Tourism Marketing District Funds.**

ATTACHMENT B
San Diego Tourism Marketing District

FY 2012 TARGETED ROI WORKSHEET ***All ROI results for awarded TMD funds will be subject to a third-party audit.***	
TMD FUNDS REQUESTED *A*	**$**
DATES OF EVENT OR PROMOTION :	
HISTORIC AVERAGE DAILY RATE (ADR) for EVENT OR PROMO DATES*	**$**
** USE SAN DIEGO **CITY ADR** in **TMD Hotel Room Night Revenue** from Smith Travel Research /CONVIS*	

Number of TMD Room Nights Historically Generated by Event or Promotion **	
Total Estimated TMD Room Night Revenue @ above ADR	**$**
Number of NEW TMD Room Nights Generated by Event or Promotion **	
Total Estimated NEW TMD Room Night Revenue @ above ADR	**$**
TOTAL ESTIMATED SAN DIEGO CITY TMD ROOM NIGHTS (combined) **	
TOTAL ESTIMATED SD CITY TMD ROOM NIGHT REVENUE (combined) ** *B*	**$**

TOTAL RETURN ON INVESTMENT **Total TMD Room Night Revenue Generated : TMD Funds Requested** *(B/A :1)*	**: 1**

<u>MEDIA IMPRESSIONS (*If Applicable*):</u>	
International Media (attach separate page if necessary)	
National / Regional Media (attach separate page if necessary)	
Web (attach separate page if necessary)	

***** Please refer to attached APPENDIX A: "Metrics Criteria" for the San Diego Tourism Marketing District-ROI Measurement Policy.***

ATTACHMENT B
San Diego Tourism Marketing District

SAMPLE **FY 2012 TARGETED ROI WORKSHEET** *All ROI results for awarded TMD funds will be subject to a third-party audit.*		
TMD FUNDS REQUESTED	*A*	**$ 25,000.**
DATES OF EVENT OR PROMOTION :	**November 10-15, 2011**	
HISTORIC AVERAGE DAILY RATE (ADR) for EVENT OR PROMO DATES*		**$ 123.**
** USE SAN DIEGO **CITY ADR** in **TMD Hotel Room Night Revenue** from Smith Travel Research /CONVIS*		

Number of TMD Room Nights Historically Generated by Event or Promotion **		3,500
Total Estimated TMD Room Night Revenue @ above ADR		**$ 430,500.**
Number of NEW TMD Room Nights Generated by Event or Promotion **		500
Total Estimated NEW TMD Room Night Revenue @ above ADR		**$ 61,500.**
TOTAL ESTIMATED SAN DIEGO CITY TMD ROOM NIGHTS (combined)**		4,000
TOTAL ESTIMATED SD CITY TMD ROOM NIGHT REVENUE (combined)**	*B*	**$ 492,000**

TOTAL RETURN ON INVESTMENT **Total TMD Room Night Revenue Generated : TMD Funds Requested** *(B/A :1)*	**19.68 : 1**

MEDIA IMPRESSIONS (*If Applicable*):	
International Media (attach separate page if necessary)	NA
National / Regional Media (attach separate page if necessary)	See attached sheet
Web (attach separate page if necessary)	See attached sheet

***** Please refer to attached APPENDIX A: "Metrics Criteria" for the San Diego Tourism Marketing District-ROI Measurement Policy.***

APPENDIX A: METRICS CRITERIA

San Diego Tourism Marketing District-ROI Measurement Policy

The San Diego Tourism Marketing District (SDTMD) measures the Return on Investment (ROI) for funding granted to support organizations and specific programs that help generate and/or increase hotel room night revenue for hotels within the City of San Diego. ROI is measured by dividing the hotel room revenue generated by the SDTMD funded amount.

To ensure consistent and valid contractor ROI reports, the SDTMD uses the following guidelines for measurement of ROI.

Hotel room night revenue can be reported as a definitive measure or estimated when actual revenue cannot be measured. Definite measurements of bookings can be captured through mandatory hotel block bookings and online hotel bookings by Online Travel Agencies (OTAs) and hotel booking engines like ARES (Advanced Reservation Systems).

When definite measurement is not possible, SDTMD hotel consumption may be estimated using valid survey methodologies. There are two types of survey approaches to consider, depending on the use of the SDTMD funding:

> Visitor surveys – SDTMD funding recipients conduct intercept surveys of visitors at events/venues or by phone/mail/email to estimate district room-night revenues for all attendees.
>
> Campaign surveys – SDTMD funding recipients conduct random sample or online access panel surveys of campaign target markets to measure district hotel consumption of ad aware populations.

The SDTMD will provide survey assistance to contractors to best measure ROI for SDTMD purposes. Organizations are welcome to also use their surveys to measure other event or campaign results including effectiveness of promotional creative or tools, attendee satisfaction, expenditures beyond SDTMD hotels consumption or overall economic impacts. The costs to capture these additional results are to be covered independently from assistance available through the SDTMD.

SDTMD survey assistance includes district hotel consumption questionnaire development, definition of the survey population and survey administration and reporting. The type and amount of fieldwork, data tabulation, analysis and reporting will vary based on the scale of events and campaigns, and be determined by an authorized professional research organization and approved by the SDTMD.

To balance the cost of data collection against the benefits to be gained, sample sizes will be set to yield a 95% confidence level with a margin of error of ± 5 percentage points on all survey results.