



**SAN DIEGO TOURISM MARKETING DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
Bahia Resort Hotel: Del Mar Room
998 West Mission Bay Drive, San Diego, CA 92109
Friday January 29, 2010
9:00 am to 12:30 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:00 a.m.

Board members present: Patrick Duffy, Kerri Robinson, Bill Evans, Terry Brown, Richard Bartell, Bob Rauch and Mohsen Khaleghi.

Board members absent: Ray Warren and Luis Barrios.

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

John Lambeth reported that members of the audience are welcome to address the Board on items on the agenda and items not on the agenda. Mr. Lambeth stated that Board members are discouraged from speaking with applicants, must disclose any communication they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

**PUBLIC COMMENT: None.
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ACTION ITEMS:

- 1. There were two changes to the Minutes from the SDTMD Board of Directors meeting of January 15, 2010. A motion was made by Patrick Duffy to approve the minutes as revised. There was a second from Richard Bartell. Yes 7, No 0, Abstain 0.**

John Lambeth reported the proposed policy to clarify material financial interest will be brought to the Board at the next meeting.

- 2. San Diego North CVB FY 2009 Carryover Funds for Proposed FY 2010 Marketing Initiatives:
Cami Mattson addressed the Board as it relates to roll over funds. She discussed the "Don't Be Left Without a Story" campaign. The final return on investment is 13.8:1.**

Chairman Brown reviewed the history of requests to San Diego North and stated that they had complied with all of the requests. A motion was made by Chairman Brown for the TMD to fund the \$543,000 to San Diego North. A second was made by Richard Bartell. Bill Evans stated it is definitely San Diego North's funding. However, the board must ensure that the money is spent wisely. Mr. Evans stated that he would like more detail about the expenditures.

Mr. Evans asked about “sustainable travel.” Ms. Mattson explained that sustainable travel is travel that highlights green or other conservation efforts. Mr. Evans asked about using the funds for direct sales. Ms. Mattson stated that sales are a key part of the proposal. Mr. Evans asked about group sales. Ms. Mattson stated about \$29,000 will be spent on group sales (from these funds). There are other San Diego North monies funding group sales – approximately \$900,000. A motion was made by Bob Rauch to call the question. There was not a second. Mohsen Khaleghi stated that San Diego North is entitled to the funding. Mr. Khaleghi stated that the board needs to save money for difficult times. The Board should save these funds and spend the money later. Mr. Khaleghi talked about budget constraints. Mr. Khaleghi stated that the industry is in a “crunch” and that the money should be saved and then used to fund San Diego North at another time. Chairman Brown stated these funds must go to San Diego North. Upon the conclusion of the debate Chairman Brown asked for a vote. Yes 5 (Brown, Bartell, Rauch, Robinson, Duffy), No 2 (Evans, Khaleghi), Abstain 0.

3. **FY 2010-2011: Competitor Group: Scope of Work and Budget:**
Alan Kidd stated that he and the Sports Commission have been in discussions with the Competitor Group about new events and improving other events. Competitor Group talked about three new additions to the Rock n Roll Marathon: 1) new course, 2) half marathon addition and 3) new partnership with Sea World.

The Rock n Roll Marathon is the largest single sporting event in San Diego estimated to bring in \$46 million in 2011. Hotel room block is 5,680 rooms; approximately 21,846 room nights. Last year there were approximately 18,000 runners. The target for this year is 25,000 runners. The estimated room nights is 27,774 and the estimated return on investment is 12:1. The request for funding is for \$291,000. Chairman Brown asked about the rules for recusal. John Lambeth restated the rules associated with material financial interest by board members. Mohsen Khaleghi asked about the measurements for the number of hotel room nights. Mr. Khaleghi asked about the leukemia society and whether the Rock n Roll Marathon is a for-profit event. The Rock n Roll Marathon is a for-profit event. Kerri Robinson asked about the group returning \$350,000 to the City. Because the non-profit was operating inappropriately, the group returned monies to the City and the County. Chairman Brown asked about the historic number of runners. Scott indicated that historically there have been 20,000 runners. Richard Bartell asked about the use of the TMD funds and the room nights generated. Bill Evans expressed appreciation for the new partnership with Sea World. Mr. Evans also expressed concern about funding any event over a long period of time. Mr. Evans asked about the possibility of their request for funding only being a short term request. Eric stated that it may be a short term request. Mr. Evans asked about getting TMD monies back if the event exceeds expectations. Scott stated that he would be happy to discuss a joint venture deal with the TMD. Bob Rauch stated that he receives significant benefit to his property in the north part of the city. Mr. Khaleghi asked if there are any pending or potential lawsuits. Scott stated no. Chairman Brown asked about historic funding. Lorin Stewart reported that historically the event received \$19,000 per year. Mr. Bartell asked about the \$69,000 given in 2009 and asked about the incremental impact of the additional TMD funds requested.

4. **FY 2010- 2011: SD Bayfair/ Thunderboats Unlimited Scope of Work and**

Budget:

Jim Kinderick and Bob Davies are Board members of the San Diego Bayfair. Their request for funding is \$206,000 with an estimated return on investment of 5.3. Attendance for the event is over 75,000. It is the fastest powerboat race course in the United States. The annual average bookings are 12,000 room nights. Richard Bartell asked about room nights that can be attributed to the TMD investment. Mr. Bartell asked about the media stations. Mr. Kinderick stated some are local and some are national. Chairman Brown asked about the challenges last year. Patrick Duffy asked about the non-profit status and the Mission Bay foundation. Bill Evans asked about the cost of incremental room nights. Mr. Evans stated he was a big fan of the event but that he needs to see the linkage between room nights and the TMD investment. Mr. Kinderick stated that the TMD money would be helping to restructure a legacy event.

5. **FY 2010 – 2011: Bike the Bay: Scope of Work and Budget:**
The group is requesting \$5,000. Andy Henshaw presented information on the Third Annual Bike the Bay event. The event is a non-competitive community ride (25 mile route). There were 2,375 total riders in 2009 and 552 from outside of San Diego County. The marketing budget for 2009 was \$7,500. Requesting \$5,000 to almost double marketing budget; money will be used to market outside San Diego. An additional 600 room nights with a return on investment of 15:1 are estimated. Bill Evans asked about the online banking engine.
6. **FY 2010 – 2011: Citizen Diplomacy Council of SD: Scope of Work and Budget**
The group is partnering with the City of San Diego and US State Department. The event will bring emerging leaders from other countries to San Diego. They are exploring ways to bring more visitors to stay in San Diego. The request is for \$24,000. The return on investment is estimated at 3:1. Kerri Robinson asked about whether it is one event. The program is year round.
7. **FY 2010 – 2011: Newmarketingonline / Hotel Week: Scope of Work and Budget:**
The request is for \$150,000. San Diego hotel Week is based on the successful restaurant week. The first hotel week was in November of 2009. In 2010 there are 2 hotel weeks scheduled, in April and November. With TMD funds, the San Diego Hotel Week could be marketed to a wider audience. Bob Rauch asked about commissions and direct bookings.
8. **FY 2010 – 2011: Pazzo Entertainment: Scope of Work and Budget:**
The request is for \$250,000 for FY 2011. Anthony presented information about the event. The projected additional room nights are 15,000 with an estimated return on investment of 7.5:1. Bill Evans asked about the selection of July for the event. Chairman Brown asked about teams in March and teams in July and about a contract with Qualcomm for July. Anthony stated he has Qualcomm on hold. Patrick Duffy asked about how this event is different than Al Kidd's activities.

Informational Items:

Chairman's Report – The next meeting will be on February 12th at 9 a.m. Chairman Brown discussed the award given to the TMD by Convis.

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 Director's report.

CONSENT:

5. None

6. **Motion to Adjourn**

The meeting was adjourned by Chairman Brown without objection at 11:03 a.m.

Approved _____
Luis Barrios, Secretary

Date _____