



BOARD OF DIRECTORS MEETING
San Diego Convention Center Corporation, Board Room
111 W Harbor Drive, San Diego CA92101
Thursday, July 17, 2008 10:00 a.m.

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 10:00 a.m.

Board members present: Terry Brown, Richard Bartell, Joe Terzi, Luis Barrios, Moshen Khaleghi, Patrick Duffy, Ray Warren, Bob Rauch, and Bill Evans

Board members absent: None

Also in attendance: Lorin Stewart, Executive Director and John Lambeth, legal counsel

PUBLIC COMMENT: None

ACTION ITEMS:

1. The Minutes from the SDTPC Board of Directors meeting of July 10, 2008 were approved. A motion to approve the minutes was made by Luis Barrios with a second from Ray Warren. Yes 8, No 0, Abstain 1 (Khaleghi).

2. **Performance Measures: ROI Guidelines / Criteria presented by Director Rauch**
Bob Rauch described to the Board a proposal for ROI measurement. Rauch described many different metrics: Market share, room nights, return on TOT, and ROI in hotel room revenue. Several members indicated that a key metric is dollars spent by SDTPC versus room rental revenue dollars generated. Rauch proposed a 3:1 ratio target in the high season and 2:1 ration target in the low season. The Board discussed using TOT versus room revenue as a measurement. The Board discussed the need to have a flexible mechanism. The Board also discussed room night generation versus more general public relations efforts. The Board discussed the "exposure component." The Board also discussed short term gains versus long term brand development. A motion was made by Joe Terzi to use room revenue as the definitive measurement for the initial screening of applications. There was a second by Luis Barrios. Yes 8, No 1 (Evans), Abstain 0. There was further discussion about raising the suggested ratios. A was made by Ray Warren to set the threshold for consideration ratio at 5:1 (room revenue generated to SDTPC dollars invested) during the high season and at 3:1 for the low season. The motion was seconded by Bob Rauch. It was clarified that meeting these ratios did not guarantee approval. Meeting the ratios was a minimum requirement for consideration. Yes 6, No 2 (Evans and Khaleghi), Abstain 0.

3. Application Process and Timeline

Lorin Stewart presented information to the Board on the application process and timeline. There was a motion from Luis Barrios, with a second from Joe Terzi, to approve the timeline and application process. Yes 9, No 0, Abstain 0.

4. ConVis Incremental Funding Presentations

Convis gave a presentation on multiple supplemental funding items for the Board to approve:

Ray Warren asked for financial summary of the total SDTPC discretionary funds. Meredith from the City of San Diego explained that there is approximately \$3.6 million available in the first 5 months of operation and approximately \$12 million in the first 12 months of operation.

A – Phase 2 (September to end of October) of Option B: Regional Spot campaign; Convis requested an additional \$1.2 million, with a target room night revenue of between \$16 and \$18 Million. The target ratio of the ad spot would be 12:1. The Board requested that Convis show the ROI at the end of the program. The primary target is Los Angeles; second, Phoenix; third “Staycation” (San Diego). A motion was made by Ray Warren to approve \$1.2 million for the Phase II proposal, which was seconded by Luis Barrios. Yes 9, No 0, Abstain 0. The board asked that ConVis come back before them in September or October.

B – David Peckinpaugh of ConVis: made a presentation for additional funding for the ASAE conference. The original approval was for \$500,000. Convis requested an additional \$50,000 to fund headlining talent on the final night of the event in Gaslamp Quarter. A motion was made by Bob Rauch, with a second from Richard Bartel, to approve the \$50,000 as a last item for ASAE. The Board had a discussion about the return on investment and “wow” of entertainment for event. Yes 5, No 4 (Brown, Evans, Khaleghi, and Terzi), Abstain 0.

C – Phase 1 of a United Kingdom market development program: Kerri from Convis gave a presentation on the United Kingdom marketing program. The UK is the largest overseas market; 117,000 visitors from the UK to San Diego; with value of the dollar, UK is a great opportunity; State of California is a partner in this effort. It was stated that there is a need to educate the UK about San Diego. Convis requested \$350,000 for the UK campaign. A motion was made by Duffy to approve the \$350,000 for the UK market development, with a second from Joe Terzi. Ray Warren expressed that in the future he would like to see the overall big picture, the larger funding plan, and would like to see projections for phase II. He also requested information on how much the State of California is spending and on what specific initiatives. Yes 9, No 0, Abstain 0.

D – Online travel agencies advertising campaign: Kerri presented the request on behalf of Convis. Convis requested \$210,000. Last year Convis spent \$276,000 on same advertising. The Board had a discussion about Convis’ fixed funding versus Convis’ variable funding. Ray Warren said he would approve this proposal but that all future approvals must have an overall funding plan as part of the request. Mr. Warren moved approval of the \$210,000 request and asked that ConVis come forward with long term plan including base and supplemental funding. Bill Evans seconded the motion. Yes 9, No 0, Abstain 0.

E – Amgen Bike Tour: ConVis requested \$50,000 in funding to bring the Amgen Bike Tour to San Diego. The Bike tour is projected to fill an additional 1300 room nights. At \$150 per night, for the total raised would be \$195,000; A \$50,000 investment from SDTPC would be a ratio of approximately 4 to 1. Ray Warren made a motion to approve an additional \$25,000 for the Amgen Bike Tour, with a second from Patrick Duffy. Yes 5, No 1 (Khaleghi), Abstain 3 (Evans, Bartell, and Terzi).

Informational Items:

5. Executive Director's Report

Lorin Stewart reported that between April 17th and July 17th, the Board has met eight times. The original requirement was for the Board to meet at least six times per year. The Board reviewed the newsletter. Lorin announced there would be no meeting on July 24th.

CONSENT:

6. None

7. Motion to Adjourn

The meeting was adjourned without objection at 12:30 p.m.

Approved _____
Luis Barrios, Secretary

Date _____