



**SAN DIEGO TOURISM PROMOTION CORPORATION
SPECIAL BOARD OF DIRECTORS MEETING
CONVENTION CENTER ADDRESS HERE**

**Friday, June 12, 2009
9:00 am to 12:00 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:06 a.m.

Board members present: Terry Brown, Bob Rauch, Richard Bartell, Luis Barrios, Mohsen Khaleghi and Ray Warren

Board members absent: Patrick Duffy, Bill Evans and Kerri Robinson

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

PUBLIC COMMENT: The Board went around the room with self-introductions. Lorin Stewart announced the Board would now provide speaker slips to those in the audience wishing to speak on any items

John Lambeth reviewed conflict of interest rules with the Board.

Chris Kramer, Beer Week, reported information regarding the Philadelphia Beer Week 2009. He stated that the event had 35,000 attendees.

Alan Kidd, Sports Commission, reported that Rugby 7's had generated 16,000 room nights with a 10.12 return on investment. Mr. Kidd stated that the commission will be asking for an additional \$225,000 to expand the event. Mr. Kidd stated that they would be requesting \$105,000 for the Soccer Federation event, which has a projected return on investment of 10.04:1. In addition, the sports commission is in discussions to partner with the Rock and Roll Marathon and Crew Classic. Mr. Kidd stated that Red Bull was pleased with the results of the air races, and is currently discussing with them next year's event with the sports commission.

John Lambeth discussed with the Board the rules for adding items to the agenda. Mr. Lambeth stated that final board election results were received from the City after the agenda was posted and that there was need to take action. A motion was made by Terry Brown to acknowledge that there was a need to take immediate action on the Board elections and that the need came to the attention of the SDTPC after the agenda was posted. A second was made by Richard Bartell. Yes 5, No 0, Abstain 0.

**John Lambeth gave a report to the Board on the results of the Board election. Terry Brown made a motion to accept and approve the election results. A second was made by Richard Bartell. Yes 5, No 0, Abstain 0.
He hHH**

ACTION ITEMS:

1. There were no changes to the Minutes from the SDTPC Board of Directors meeting of May 22 2009. A motion was made by Bob Rauch to approve the minutes. There was a second from Luis Barrios. Yes 5, No 0, Abstain 0.
2. **FY 2010 Incremental Funding Application Update: Convis Incremental Los Angeles Stimulus:**
Kerri Verbeke Kapich gave a presentation on the fall stimulus campaign incremental funding request. At the moment, group business is down, so Convis is focusing and improving leisure travel. Convis is recommending a fall campaign targeted at the 7.4 million households in Los Angeles. Mohsen Khaleghi inquired about cost for including Phoenix and Las Vegas along with Los Angeles. The approximate cost would be \$300,000. Luis Barrios asked about specific actions now in LA. Richard Bartell asked about the high season in Phoenix. The Board then scored the application. Bob Rauch scored the application a 4. Terry Brown scored the application a 4. Mohsen Khaleghi scored the application a 4. Luis Barrios scored the application a 4. Richard Bartell scored the application a 4. The average score for the application was a 4.

Allocation Funding Review

Jere Batten reviewed with the Board how much money is still available for allocation. Ms. Batten stated there is \$2.18 million in the catastrophe/opportunity fund. The total remaining requests for funding total over \$2.2 million. Terry Brown suggested that the TPC leave \$500,000 in the catastrophe fund. Bob Rauch suggested he'd prefer to leave \$700-800,000.

Presentation of Ranking

Lorin Stewart explained how the Board's ranking was done for each organization. Jere Batten displayed the rankings on screen for all to view. At the last meeting the Board approved \$1.1 million to Convis for the LA Ad Marketing and \$3 million to Convis for the National Cable campaign. Lorin Stewart then explained the process which the Board would go through in order to determine funding allocations.

3. **FY 2010 Funding Allocations**
The Old Globe
The Board heard a brief update from the Old Globe on upcoming musicals and staffing. The Old Globe currently drives 20,000 people from outside the San Diego market and this funding would allow for the Old Globe to test drive a marketing program. Currently, the Old Globe does not have an out-of-market marketing program. A motion was made by Bob Rauch to approve the requested funding. Terry Brown stated that in normal economic times he would certainly vote for it. A second was made by Richard Bartell. Mr. Bartell stated that it is a very modest amount of money to give but asked if there will be a return on investment. Mr. Bartell stated his concerns that the return on investment seems to be based on an assumption that the funding will bring in room nights. The Old Globe representatives stated that the return on investment was done conservatively because they have never surveyed the outside market; this is an opportunity to reach out to a drive market. He also noted that this funding would be for two campaigns: one in November and one in February. Mr. Bartell asked if the Convis' fall campaign could include the Old Globe. Joe Terzi, Convis, stated funding this group would be a good idea.

This group has a lot of potential and is asking for a small amount of funding. Convis is supportive and could be involved. Bob Rauch stated that last time this item was discussed it was positive and that is why the Board ranked it high. Mr. Rauch also stated that it is a good opportunity for the amount of money requested. Lorin Stewart stated that the application does state that the dollars will be allocated and spent on promotions and not organizational support. The Old Globe representative stated that they requested a modest amount on purpose so they could prove they will be a successful partner with SDTPC. Yes 5, No 0, Abstain 0.

Convis Canadian Marketing Campaign

A motion was made by Mohsen Khaleghi to approve the full funding of \$250,000 for the Convis Canadian Marketing Campaign. A second was made by Luis Barrios. Bob Rauch stated that he did not think the SDTPC can afford to do it. Richard Bartell stated he recalled the presentation indicating the campaign would be "thin." Joe Terzi stated that if the Board has the resources, it is a good investment. Yes 0, No 5, Abstain 0.

Multicultural FAM Tour

Terry Brown stated that Clara has been very diligent in working with everyone the Board has asked her to. Mr. Brown stated that this is a niche market that is very important and has not had as high of priority as it needs. Mr. Brown also stated that Clara has worked very hard to prove herself; Convention Center has worked with Clara and the market will take hard work. Bob Rauch made a motion to approve in full and stated that the Board needs to fund in full. A second was given by Luis Barrios. Mohsen Khaleghi asked if they have a list of groups they intend on targeting. Clara stated that they do and the list was included with the previous proposals and application. Mr. Khaleghi asked if any of the groups have met in San Diego before. Clara stated that some have but 80% have not. Yes 5, No 0, Abstain 0. Terry Brown thanked Clara for her patience.

Restaurant Week

Convis spoke to the Board regarding their support for Restaurant Week. A motion was made by Luis Barrios to approve the requested funding for restaurant week. A second was made by Bob Rauch. Mr. Rauch also stated that he is not in favor of funding in full. Terry Brown state he would be in favor of approving some seed money but not the full requested amount. Mr. Brown suggested approving \$30-35,000 in funding. A motion was made by Luis Barrios to amend his initial motion to approve \$35,000 in funding. A second was made by Bob Rauch. Yes 5, No 0, Abstain 0. Richard Bartell asked if \$35,000 really would help them. Joe Terzi stated that the group has opportunity to grow and has proven that. Mr. Terzi stated that Convis supports funding this group and suggested \$50,000 would be a more appropriate level of funding. Ray Warren joined the Board meeting. A motion was made by Mohsen Khaleghi to amend the previous motion and to approve funding for restaurant week in \$50,000. A second was made by Bob Rauch. Yes 6, No 0, Abstain 0.

Convis – Amex Database

A motion was made by Terry Brown to not approve funding. A second was made by Mohsen Khaleghi. Yes 6, No 0, Abstain 0.

Jere Batten stated that given the additional approvals there is \$2 million left in

the catastrophe/opportunity fund and \$200,000 left to allocate with Phoenix and LA stimulus.

San Diego Asian Film Festival

Terry Brown recused himself from this item. A motion was made by Ray Warren to not approve funding for the Asian Film Festival. A second was made by Bob Rauch. Yes 5, No 0, Abstain 1.

San Diego Film Festival

A motion was made by Bob Rauch to not fund the San Diego Film Festival. A second was made by Mohsen Khaleghi. Yes 6, No 0, Abstain 0.

Auto Show

A motion was made by Mohsen Khaleghi not to fund. A second was made by Terry Brown. Bob Rauch stated that the time this event is held is a "need period." Yes 6, No 0, Abstain 0. Ray Warren stated that the traffic for this event is hard to obtain and the group was asking for too much money.

Convis – LA Fall Stimulus

A motion was made to approve the LA Fall Stimulus campaign funding by Bob Rauch. A second was given by Mohsen Khaleghi. Yes 6, No 0, Abstain 0.

Beer Week

A motion was made by Luis Barrios to approve the full funding request for San Diego Beer Week. A second was made by Terry Brown. Yes 6, No 0, Abstain 0.

Accessible San Diego

Terry Brown stated that this group serves a specialized industry business and are very important. Mr. Brown stated he thinks the Board should fund the group. Wes, Accessible San Diego, stated that the request is for additional core funding. Wes stated the group does produce a return on investment but the core funding is important to bring in travelers with disabilities. Bob Rauch stated that he does not want to see Accessible San Diego go away, as it is a critical service, but it does not produce a return on investment and the Board has committed to focusing on return. Mr. Rauch asked if the Board could find some additional funding elsewhere for the group. Ray Warren stated that funding Accessible puts the Board in a bad position since the focus of the Board is on return on investment. Mr. Brown asked if the Board has the discretion to fund without a clear return on investment. John Lambeth stated that return on investment is a criterion that the Board must consider. In fact, ROI is identified in the formation documents as the most critical criterion. However, the Board has the discretion to consider other criteria. Mr. Rauch stated that there is a return on investment, however, it is not significant. Mr. Rauch stated he did not think it was unreasonable for the Board to ensure they stay in business and that the Board should fund. Mr. Rauch stated he did not think the Board could fund in full. Mohsen Khaleghi stated that Accessible San Diego is a great friend and ally for the SDTPC. Mr. Khaleghi asked if it would be possible to house Accessible San Diego within Convis. Mr. Brown stated that he would like to see Convis get out of services and focus on sales. Mr. Khaleghi asked if Convis could extend something to Wes but not pick up the requested \$200,000. Luis Barrios stated that San Diego is known as a city dedicated to people with needs. Mr. Barrios also stated that this is an important group. Mr. Rauch asked if the Board funded the marketing line item, would that be of value to the group. Wes

stated that, first, they need to stabilize their core funding and then they can work on marketing. A motion was made by Bob Rauch to fund Accessible San Diego in the amount of \$30,000. A second was made by Ray Warren. Yes 6, No 0, Abstain 0.

Lorin Stewart stated that the incremental funding process is now closed and explained what would happen next fro the groups that have received funding and for those that have not.

Informational Items:

Chairman's Report – Terry Brown gave a recap of the annual meeting. Mr. Brown stated that the meeting went very well and saw a lot of enthusiasm from everyone involved. Mr. Brown thanked the Board for their hard work and dedication. Mr. Brown stated the next Board meeting will be July 17th. Luis Barrios thanked Lorin Stewart for his work and effort. Bob Rauch thanked Terry Brown for hosting the annual meeting.

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

Executive Director's Report – Lorin Stewart stated that the location for the July 17th meeting is to be determined. Mr. Stewart stated that at that the Board would be reviewing budget revisions from Convis and appointing the new officers. Mr. Stewart also stated the Board will be discussing an RFP for a communications firm to assist in communicating the Board's efforts throughout the year with City Council and that four applications have already been received. The Board will review the applications and the interviews. Officers will be responsible for conducting the final interviews.

CONSENT:

5. None

6. **Motion to Adjourn**

The meeting was adjourned by Chairman Brown without objection at 10:56 a.m.

Approved _____
Luis Barrios, Secretary

Date _____