

FY 2010 REPORT OF ACTIVITIES

(July 1, 2009- June 30, 2010)

San Diego Tourism Marketing District

San Diego Tourism Marketing District

Established by Resolution:

R-303226 on December 12, 2007

Effective January 1, 2008 through December 31, 2012

Agreement Between City and SDTCP

Approved by Resolution:

R-303621 on April 28, 2008

Effective April 1, 2008 through March 31, 2012

Advisory Board:

San Diego Tourism Promotion Corporation (SDTPC)

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Assessment Methodology Authorized by Resolution No. R-303226: The assessment amount shall be, and shall not exceed, two (2) percent of gross room revenue, minus exempt revenues, for lodging businesses with seventy (70) or more sleeping rooms located within the TMD. Gross room revenue is defined as the "total consideration charged to a transient, as shown on the guest receipt for the occupancy of a room, or portion thereof, in a hotel." For purposes of the collection of assessments, gross room revenue minus exempt revenues may also be referred to as "assessable rents."

No Changes to Boundaries or Assessment Methodology: For FY 2010, no changes are proposed to the boundaries or basis / method of assessment. The TMD encompasses the entire City of San Diego.

Benefit Zones: There are no defined or proposed benefit zones.

Available Tourism Marketing District (TMD) Funds for FY 2010:

Projected Assessments Based Upon Current Market Forecast	\$ 24,894,581
Projected Interest	\$ 40,000
Projected FY 2009 Carryover from "Admin" and "Opportunity / Catastrophe fund" **	\$ 990,711
<u>Contributions From Other Sources:</u>	\$ _____
Total FY 2010 Funds Available	\$ 25,925,292

** See FY 2009 Interim Report for Details of Projected Carryover

PROPOSED ACTIVITIES FOR FY 2010

Pursuant to San Diego Tourism Marketing District Management Plan September 2007:

San Diego CVB **(50% of Assessments Collected)** **\$ 12,447,291**

The San Diego Convention and Visitors Bureau, or ConVis, is the sales and marketing engine for the San Diego region and is charged with monitoring the health of the tourism industry and promoting all areas of the region. Incorporated in 1954, ConVis is a private not-for-profit 501(C) 6 governed by a 37-member board of directors. ConVis serves the local community by stimulating inbound travel to San Diego.

San Diego North CVB **(10% of Assessments Collected)** **\$ 2,489,458**

The San Diego North Convention and Visitors Bureau purpose is to promote San Diego North as a year-round resort and visitor destination, generating hotel room nights into San Diego North City areas including La Jolla, UTC, Carmel valley, Rancho Bernardo, and Rancho Penasquitos.

Total Fixed Allocations **\$14,936,749**

Variable Distribution **(32% of Assessments Collected)** **\$ 7,966,266**

The Variable Distribution of 32% is divided into two categories: COMPETITIVE ANNUAL allocations budgeted at \$2,128,000 and COMPETITIVE INCREMENTAL allocations budgeted at \$5,838,266. Per the FY 2010 Application Guidelines the deadline for the annual Applications was October 24, 2008. All submitted applications have been reviewed, scored, and allocations recommended. The Incremental applications are received through the year and awarded based upon the program scope of work and the projected Return On Investment (ROI).

Opportunity/Catastrophe Reserve **(5% of Assessments Collected)** **\$ 2,196,791**

This is based upon 5% of FY 2010 projected assessments of \$1,244,729 plus the current projected FY 2009 Carryover of \$952,062.

Administration **(3% of Assessments Collected)** **\$ 825,486**

This is based upon 3% of FY 2010 projected assessments of \$746,837 plus projected interest of \$40,000 and projected FY 2009 Administration carryover of \$38,649. A capped amount of \$327,608 of the administration allocation is applied for the benefit of the City to offset City costs associated with administering the TMD program.

Total **\$ 25,925,292**

DETAILS OF FY 2010 PROPOSED ACTIVITIES

San Diego Convention and Visitors Bureau

Marketing

Media and Production	\$ 3,785,137
Sales & Marketing Services and Promo Materials	\$ 921,780
Research	\$ 255,725
Events/ Travel and Entertainment	\$ 124,578
Printing and Distribution	\$ 38,200
Tickets	-
Dues & Subscriptions	\$ 30,775
Sales & Marketing Technology	\$ 36,220
Personnel Wages/Salaries	\$ 1,003,174
Commissions and Incentives	\$ 13,756
Personnel Tax & Benefits	\$ 190,040
Marketing Subtotal	\$ 6,399,385

Sales

Sales & Marketing Services and Promo Materials	\$ 74,000
Events/ Travel and Entertainment	\$ 416,021
Dues & Subscriptions	\$ 49,425
Sales & Marketing Technology	\$ 160,500
Personnel Wages/Salaries	\$ 1,955,087
Commissions and Incentives	\$ 243,912
Personnel Tax & Benefits	\$ 459,210
Sales Subtotal	\$ 3,358,155

Operations/Administration

Media and Production	-
Sales & Marketing Services and Promo Materials	\$ 113,435
Events/ Travel and Entertainment	\$ 24,728
Printing and Distribution	-
Dues & Subscriptions	-
Personnel Wages/Salaries	\$ 1,072,167
Commissions and Incentives	-
Personnel Tax & Benefits	\$ 220,501
Supplies, Maintenance, Equipment, and Fees	\$ 198,392
Rent and Equipment Rent	\$ 432,671
Telephone, Postage, and Meetings	\$ 163,500
Professional Fees, Services and Taxes	\$ 464,357
Depreciation	-
Miscellaneous	-
Operations/Administration Subtotal	\$ 2,689,751

Total Proposed FY 2010 ConVis Expenses:

\$ 12,447,291

DETAILS OF FY 2010 PROPOSED ACTIVITIES

San Diego North Convention and Visitors Bureau

Marketing

Media Campaigns	\$ 517,751
Public Relations	\$ 26,101
Marketing Promotions	\$ 31,854
Website	\$ 87,052
Research	\$ 34,710
Other (Technology, Education, Direct Mail, Fulfillment)	\$ 78,727
Personnel & Wages/Salaries	\$ 449,503
Personnel Tax & Benefits	\$ 105,228
Marketing Subtotal	\$ 1,330,926

Sales

Collateral/Tools	\$ 19,488
Lead Generation & Outsourcing	\$ 53,670
Partnership Events	\$ 41,450
Strategies	\$ 30,153
Personnel & Wages/Salaries	\$ 420,889
Personnel Tax & Benefits	\$ 97,838
Sales Subtotal	\$ 663,488

Operations/Administration

Operations	\$ 210,987
Administration	\$ 82,332
Personnel & Wages/Salaries	\$ 160,197
Personnel Tax & Benefits	\$ 41,528
Operations/Administration Subtotal	\$ 495,044

Total Proposed FY 2010 San Diego North CVB Expenses:

\$ 2,489,458

DETAILS OF FY 2010 PROPOSED ACTIVITIES

ADMINISTRATION

San Diego Tourism Promotion Corporation

Personnel

Employee Benefits	\$ 6,168
Executive Director Wages	\$ 160,000
Admin Support Wages	\$ 30,000
Payroll Tax	\$ 12,800
Workers Compensation	\$ 1,032
Personnel Subtotal	\$ 210,000

Contract Services

Accounting	\$ 108,000
Audit	\$ 30,000
Legal and Compliance	\$ 108,000
Contract Services Subtotal	\$ 246,000

Operations

Auto	\$ 9,000
Bank Service Fees	\$ 300
Dues and Subscriptions	\$ 600
Insurance	\$ 2,350
Newsletter and directory	\$ 4,800
Total Occupancy (Rent, Reception, Cams, Utilities)	\$ 9,120
Parking	\$ 300
Payroll processing	\$ 1,560
Postage and Shipping	\$ 480
Printing and Reproduction	\$ 3,600
Supplies	\$ 1,200
Telephone	\$ 1,800
Website	\$ 2,400
Operations Subtotal	\$ 37,510

Contingency \$ 4,368

Total Proposed FY 2010 SDTPC Expenses: \$ **497,878**

City of San Diego Administration Allowance \$ **327,608**

Actual City administration costs are reimbursed from the TMD fund up to a capped amount each fiscal year.

Total Administration \$ **825,486**

DETAILS OF FY 2010 PROPOSED ACTIVITIES

FY 2010 VARIABLE DISTRIBUTION

Competitive Annual Funding Recommendations

Accessible San Diego (base + additional)	\$ 105,000
California State Games	\$ 50,000
ConVis - Fall Stimulus	\$ 1,000,000
ConVis - LA Spring Summer 2010 Stimulus	\$ 1,100,000
ConVis - National Cable Spring 2010	\$ 3,050,000
ConVis - Restaurant Week Event	\$ 50,000
ConVis On Line Travel Agency (OTA)	\$ 1,555,000
ConVis San Diego Convention Center Corp - NBTA (National Business Travel Association)	\$ 150,000
Craft Brewers Guild Beer Week	\$ 24,800
Multi-Cultural Convention Services Network	\$ 98,000
San Diego Bay Wine and Food Festival	\$ 50,000
San Diego Bowl Game Association	\$ 500,000
San Diego Crew Classic	\$ 150,000
San Diego Film Commission	\$ 728,000
San Diego Natural History Museum	\$ 150,000
San Diego Sports Commission	\$ 425,000
The Old Globe	\$ 24,408
Sub-Total*	\$ 9,210,208

* Includes allocation of \$1,243,924 from FY2010 Opportunity/Catastrophe Reserve and Variable Funding allocation of \$7,966,266 **\$ 9,210,208**

Opportunity/Catastrophe Reserve

Five percent of FY2010 estimated TMD Assessments	\$ 1,244,729
FY 2009 Total Projected Carryover	\$ 952,062
Sub-Total	\$ 2,196,791

Less allocation towards FY2010 Competitive Applications (Variable) \$ (1,243,942)
Net Opportunity/Catastrophe Reserve \$ 952,849

FY2010 COMPETITIVE ANNUAL FUNDING ROI AND RANKING DETAIL

Accessible San Diego (Base + Additional)

Funding Request	\$390,000
Funding Recommendation	\$105,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	2.5/2.11
• Room Night Ranking Calculations:	6.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	16,429
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$2,382,205
• ROI	6

Cal State Games 2009 Winter Games 2010

Funding Request	\$50,000
Funding Recommendation	\$50,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	2.83
• Room Night Ranking Calculations:	8.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	16,500
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$2,392,500
• ROI	48

ConVis FY 2010 Fall Stimulus

Funding Request	\$1,000,000
Funding Recommendation	\$1,000,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	4.00
• Room Night Ranking Calculations:	72.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	73,163
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$10,608,635
• ROI	11

FY2010 COMPETITIVE ANNUAL FUNDING ROI AND RANKING DETAIL cont.

ConVis LA Mkt Spring Summer 2010 Stimulus

Funding Request	\$1,500,000
Funding Recommendation	\$1,100,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.43
• Room Night Ranking Calculations:	81.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	109,851
• new hotel room nights of total	36,617
• Return @ \$145.00 ADR (average daily rate)	\$15,928,395
• ROI	11

ConVis National Cable Spring 2010

Funding Request	\$4,294,216
Funding Recommendation	\$3,050,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.57
• Room Night Ranking Calculations:	50.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	224,911
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$32,612,095
• ROI	8

ConVis On Line Travel Agencies

Funding Request	\$2,000,000
Funding Recommendation	\$1,555,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	4.00
• Room Night Ranking Calculations:	90.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	1,072,000
• new hotel room nights of total	357,333
• Return @ \$145.00 ADR (average daily rate)	\$155,440,000
• ROI	78

FY2010 COMPETITIVE ANNUAL FUNDING ROI AND RANKING DETAIL cont.

ConVis Restaurant Week

Funding Request	\$76,941
Funding Recommendation	\$50,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	2.14
• Room Night Ranking Calculations:	12.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	1,850
• new hotel room nights of total	617
• Return @ \$145.00 ADR (average daily rate)	\$268,250
• ROI	3

ConVis SDCCC Nat. Business Travel Assoc.

Funding Request	\$150,000
Funding Recommendation	\$150,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.40
• Room Night Ranking Calculations:	28.50
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	13,000
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$1,885,000
• ROI	13

Craft Brewers Guild Beer Week

Funding Request	\$24,800
Funding Recommendation	\$24,800
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.22
• Room Night Ranking Calculations:	33.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	1,300
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$188,500
• ROI	8

FY2010 COMPETITIVE ANNUAL FUNDING ROI AND RANKING DETAIL cont.

Multi-Cultural Convention Services Network

Funding Request	\$98,000
Funding Recommendation	\$98,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	2.29
• Room Night Ranking Calculations:	10.50
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	4,998
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$724,710
• ROI	7

SD Bay Wine and Food Festival

Funding Request	\$75,000
Funding Recommendation	\$50,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	2.43
• Room Night Ranking Calculations:	3.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	1,650
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$239,250
• ROI	3

SD Bowl Game Holiday & Poinsettia Bowls

Funding Request	\$500,000
Funding Recommendation	\$500,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.67
• Room Night Ranking Calculations:	93.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	39,771
• new hotel room nights of total	9,000
• Return @ \$145.00 ADR (average daily rate)	\$5,766,795
• ROI	12

FY2010 COMPETITIVE ANNUAL FUNDING ROI AND RANKING DETAIL cont.

SD Crew Classic

Funding Request	\$150,000
Funding Recommendation	\$150,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.14
• Room Night Ranking Calculations:	36.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	5,000
• new hotel room nights of total	1,500
• Return @ \$145.00 ADR (average daily rate)	\$725,000
• ROI	5

SD Film Commission

Funding Request	\$728,000
Funding Recommendation	\$728,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.43
• Room Night Ranking Calculations:	39.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	35,560
• new hotel room nights of total	5,560
• Return @ \$145.00 ADR (average daily rate)	\$5,156,200
• ROI	7

SD Natural History Museum Body World

Funding Request	\$250,000
Funding Recommendation	\$150,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	2.85
• Room Night Ranking Calculations:	9.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	14,000
• new hotel room nights of total	0
• Return @ \$145.00 ADR (average daily rate)	\$2,030,000
• ROI	8

FY2010 COMPETITIVE ANNUAL FUNDING ROI AND RANKING DETAIL cont.

SD Sports Commission

Funding Request	\$425,000
Funding Recommendation	\$425,000
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.57
• Room Night Ranking Calculations:	68.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	14,709
• new hotel room nights of total	11,614
• Return @ \$145.00 ADR (average daily rate)	\$2,132,805
• ROI	5

The Old Globe

Funding Request	\$24,408
Funding Recommendation	\$24,408
<u>Score Ranking:</u>	
• Directors' Aggregate Score:	3.33
• Room Night Ranking Calculations:	18.00
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	1,091
• new hotel room nights of total	364
• Return @ \$145.00 ADR (average daily rate)	\$158,195
• ROI	6

Overall

Total Funding Requests	\$ 11,736,365
Total Funding Recommendation	\$ 9,210,208
<u>Return on Investment (ROI) - Projected:</u>	
• total hotel room nights	1,645,783
• new hotel room nights of total	422,605
• Return @ \$145.00 ADR (average daily rate)	\$238,638,535
• ROI	20