SDTMD GOALS

CHAMPION DESTINATION MARKETING

1. ATTRACT tourism activity
2. INCREASE overnight stays
3. OUTPERFORM competitive markets
4. DELIVER ANNUAL SAVINGS to the City of San Diego
5. COMPETE AGGRESSIVELY with major travel markets
6. INCREASE general fund
7. Collect approximately $30 million in assessments annually
MARKET ASSESSMENT

Much of this growth was buoyed by a strong year from the meetings and leisure sector, which feeds its success off San Diego’s exceptional reputation for beautiful weather and breathtaking landscapes, in addition to its diverse set of special events and activities.

According to Tourism Economics, indicators point to sustained positive growth in the San Diego visitor economy due to continued economic strength in key feeder markets and two of the strongest convention years ever projected to come in 2016 and 2017. Additionally, the small but rapidly growing segment of international travelers to San Diego brings a unique opportunity to gain visitor share, but also presents a challenge, as tourism experts say San Diego is a lesser-known city internationally.

The challenge for the future will be achieving growth against competitive markets where transportation improvements, visitor products and attractions are being added to entice more visitors and dollars to their markets. For example, Anaheim has opened an intermodal transit center that acts as a hub for trains, buses and bicyclists to connect commuters and tourists to attractions in various parts of the city. In addition, Disney announced the building of a new Star Wars-themed attraction at Disneyland.

Non-car transportation in Los Angeles is improving, with a subway to the coast that will take people from downtown to Santa Monica. LA is also expanding and renovating the Los Angeles International Airport and adding 9,000 new hotel rooms. New and upcoming attractions include the Wizarding World of Harry Potter at Universal Studios and various museums, such as the Petersen Automotive Museum and The Broad, a contemporary arts museum.

In the coming years, San Diego will have to compete for visitors without any major new attractions or additions to existing tourism hubs, including the airport and downtown convention center. While the future Destination Master Plan will attempt to address these issues with recommended renovations and expansions to existing facilities and proposed new attractions, many of the large-scale projects needed to compete for visitors on a global scale will take years to develop.

In the meantime, the work of SDTMD and its contractors will be critical in marketing existing events and attractions, capturing the attention of travelers and bringing an influx of excited business and leisure visitors to San Diego, America’s Finest City.
The City of San Diego recorded TOT revenues of $186 million for FY2015 and the San Diego Tourism Marketing District (SDTMD) is gratified to have played a supporting role in helping to achieve this record-breaking result. During this past year the SDTMD strategically deployed nearly $24 million of critical advertising and promotional funding into city council-approved programs outlined in this report that attracted millions of visitors to San Diego and increased overnight lodging revenue by almost 10 percent.

In short: the San Diego lodging industry enjoyed a record year which is the overarching mission of the San Diego Tourism Marketing District.

We all know San Diego is a destination unlike any other, but significant and sustained tourism growth requires more than just sunny weather and beautiful natural and manmade attractions. It requires bold goals and aspirations, visionary strategic priorities and an unwavering commitment to increasing support and funding for tourism focused initiatives.

And to that point, much of FY2015 initiated the development of a blueprint to achieve dramatic and sustainable gains in the lodging industry which in turn will fuel higher TOT revenues. More than 40 San Diego tourism and civic leaders worked in tandem with one of the world’s leading management consulting firms on how to implement best practices in the growth of tourism for the city.

This type of ambitious tourism development plan is critical to the long-term success of the lodging industry in San Diego, and the SDTMD is uniquely positioned to help support the implementation of this plan to ensure that District businesses see the future success they so richly deserve. You will be hearing much about the 20-Year San Diego Destination Master Plan as community engagement and workshops take shape during FY16. It is exciting to see the art of the possible become reality.

In the immediate future, with strong leadership from our staff, partners and board, SDTMD will continue to solidify itself as a powerful and indispensable organization that helps San Diego capture the attention of travelers from around the world, bring an influx of visitors to this great city.
TOURISM ECONOMIC IMPACT
FY 2015

$16.2 BILLION NEW DOLLARS
TOTAL ECONOMIC IMPACT TO SAN DIEGO

173,000 TOURISM-RELATED JOBS

$9.6 BILLION
TOTAL VISITOR SPENDING

$186 MILLION
TRANSPORT OCCUPANCY TAX
COLLECTIONS IN SAN DIEGO

34.2 MILLION
TOTAL VISITORS

9.5 MILLION
HOTEL VISITORS

17 MILLION
OVERNIGHT VISITORS TO SAN DIEGO

$26 MILLION/DAY, $1 MILLION/HOUR, $18,999/minute AND $305/SECOND
TOTAL AVERAGE VISITOR SPENDING
**TIMELINE**

**2007**
- **DECEMBER**: Hotels vote to participate in a tourism marketing district

**2008**
- **APRIL**: SDTMD is approved for a five-year contract with the City of San Diego
- **APRIL**: SDTMD board constituted and first board meeting held

**2009**
- **JANUARY**: Collection of assessments begins on January 1
- **APRIL**: Studies show market share up

**2010**
- **JUNE**: FY2011 TMD Funding Recommendations approved by City Council

**2011**
- **FEBRUARY**: FY2011 TMD Funding Recommendations made by SDTMD board
- **MARCH**: FY2009 ROI audits completed
- **JUNE**: FY2011 TMD Funding Recommendations approved by City Council

**2012**
- **NOVEMBER**: SDTMD Annual Meeting
- **NOVEMBER**: SDTMD Annual Meeting
- **DECEMBER**: Closeout of original tourism marketing district
- **JULY**: FY2015 begins

**2013**
- **January**: SDTMD recommends contractors for FY2015

**2014**
- **January**: Newly released TMD funds deployed back into targeted sales and marketing programs

**2015**
- **February**: FY2016 begins
- **March**: San Diego City Council approves five-year Operating Agreement with SDTMD Corporation through November 25, 2017
- **JANUARY**: SDTMD Annual Meeting
- **JANUARY**: SDTMD Annual Meeting
- **DECEMBER**: Funds released to SDTMD by the City of San Diego

**ANNUAL REPORT 2015**
Tourism is the third-largest economic driver in San Diego, generating more than $16 billion in regional economic impact. The industry contributes more than $650 million in transient occupancy taxes, sales taxes and property taxes to government entities. The City of San Diego collected $186 million in transient occupancy taxes alone in FY2015. Additionally, visitors to the region provide an economic boost that supports more than 173,000 jobs in San Diego County.

The San Diego overnight lodging market in particular drove visitation and spending growth, while day and private home visitation numbers did not increase in FY2015. The strong demand for hotel rooms reached 76.1% percent, an increase of 3.5 percent over last year. The average daily room rate increased by 4.7 percent to $145.98 per night.

Tourism Economics visitor growth and spending in San Diego finished up 2.2 percent and 8.9 percent respectively in FY2015. This growth came from a 5.1 percent rise in room demand.

FY2015 LODGING PERFORMANCE & IMPACT

9.4% FY2015 Increase in TOT collected

<table>
<thead>
<tr>
<th>Year</th>
<th>TOT Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>$170 million</td>
</tr>
<tr>
<td>FY2015</td>
<td>$186 million</td>
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</table>
By providing marketing and promotional support and funding to a wide variety of organizations and contractors in San Diego, SDTMD helps the city maintain its status as a vibrant, evolving tourist destination with unique and exciting events and programming year-round.

SDTMD’s funding and support of these competitively selected local contractors has consistently resulted in growth in hotel room nights and revenue that strengthen the San Diego economy and its vitally important tourism industry.

Every year, about 80 percent of SDTMD’s funding goes to the San Diego Tourism Authority (SDTA) to drive tourism promotion, and the remaining funds are allocated to a variety of other local contractors that demonstrate a proven promotional track record or show long-term potential.

All contractors supported by SDTMD must have clearly defined marketing strategies and tactics that complement and enhance San Diego’s tourism brand through unique attractions and events that help fill hotels, motels, bed and breakfasts and vacation rentals.

### Contractor funding distributions for FY 2015:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority</td>
<td>$22,510,396</td>
</tr>
<tr>
<td>SDTA: Sports First (merged)</td>
<td>$243,838</td>
</tr>
<tr>
<td>California State Games &amp; Winter Games</td>
<td>$150,000</td>
</tr>
<tr>
<td>San Diego Bayfair – Thunderboats</td>
<td>$85,000</td>
</tr>
<tr>
<td>La Jolla Playhouse – Hunchback of Notre Dame</td>
<td>$18,114</td>
</tr>
<tr>
<td>San Diego Brewers Guild – Beer Week</td>
<td>$57,130</td>
</tr>
<tr>
<td>San Diego Bowl Game Association</td>
<td>$450,000</td>
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<tr>
<td>Century Club of San Diego – Farmers Insurance Open</td>
<td>$197,702</td>
</tr>
<tr>
<td>San Diego Crew Classic</td>
<td>$120,500</td>
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<tr>
<td>Competitor Group – Rock ‘n’ Rock Marathon &amp; Half Marathon</td>
<td>$177,148</td>
</tr>
<tr>
<td><strong>Total Reimbursed FY2015</strong></td>
<td><strong>$24,009,828</strong></td>
</tr>
</tbody>
</table>
The San Diego Tourism Authority, formerly the San Diego Convention & Visitors Bureau (ConVis), is the primary sales and marketing engine for the San Diego region. As a sales and marketing organization, the main objective of the SDTA is to promote and market San Diego as a preferred vacation and meeting destination for leisure and business travelers from around the world.

Incorporated in 1954, SDTA is a private not-for-profit 501(C)(6) organization governed by a 30-member board of directors. The SDTA is nimble in the marketplace, and as market conditions shift, programs are updated in order to best capitalize on opportunities and maximize ROI.

Investment of marketing funds from SDTMD has helped SDTA fuel its efforts to win market share and promote San Diego as a diverse tourism market, appealing to leisure and group travelers, and domestic and international visitors.

26:1* FY2015
Return on Investment

| Total Estimated Reimbursements | $22,510,396 |
| Estimated TMD Room Night Revenue | $584,672,234 |
| Estimated TMD Room Nights | 3,777,429 |
| Average Daily Rate (ADR) | $154.78** |

*Does not include final Spring 2015 advertising results
**Combined average ADR sales and marketing revenue

Sales Highlights

- Booked 325,591 new room nights for TMD properties, delivering $67.6 million in new room revenue
- Hosted 196 customers throughout the year and conducted 649 site visits of various hotels, representing 182,597 total room nights
- Held 23 customer events with a total of 589 new clients in attendance
- Attended 67 trade shows throughout the year that generated 249 leads representing 158,142 new room nights for San Diego
- Hired two dedicated sales directors to focus on specialty market segments for the subregions of Mission Valley, Mission Bay and the UTC area of La Jolla, resulting in 176 leads and representing 101,461 new room nights
- Launched the “San Diego Meeting Certified” program in June 2015, a four-session comprehensive program focused on strategies and insights to help 155 sales managers in San Diego employ thoughtful and meaningful sales techniques to encourage planners to book meetings and hotel rooms in San Diego

Marketing Highlights

- Generated more than 891 million paid advertising gross impressions nationally and internationally through brand and promotional advertising campaigns that utilized TV, digital and print mediums
- Generated $34.6 million in unpaid media value using public relations, promotions and cooperative advertising efforts
- Generated 9,105,655 visitor inquiries as a result of all marketing efforts, including e-mail marketing, social media and search engine initiatives
Program Highlights

• In an effort to support subregion group business, SDTA ran a print and digital program to reach meeting planners through affinity publications such as Meetings and Conventions, Connect Magazine, Small Market Meetings, Association News and Sports Travel Magazine.

• Luxury and value campaigns designed to generate leisure business made 20 million impressions promoting the specific properties within the subregions. The print plan included placements in publications such as Travel & Leisure, Sunset, Sunset Summer Road Trips, Saveur, Parents and Family Fun.

• Online travel agency advertising campaigns helped reinforce luxury and value messaging during the visitor research and booking phase and generated more than 47.5 million impressions and 139,158 clicks for subregion properties.

• SDTA implemented a highly successful “Kids Free in San Diego” campaign in the LA and Phoenix markets during the month of October, which was followed by the launch of a fall brand campaign with television spots running in Sacramento, Las Vegas, Salt Lake City and Seattle. Additionally, heading into peak spring and summer travel seasons, SDTA launched a mix of spot TV, out of home and digital advertising campaigns that ran in Sacramento, Seattle, Las Vegas, Salt Lake City, Portland and San Francisco.

• The two fall campaigns generated more than 600,000 room nights. Measurement of the spring campaign is still in progress, but it is expected to have generated more than 1 million room nights.

• A new guerilla social media campaign also launched during peak season, including a Chicago in-market activation and paid content across premium video partners, video network partners and social media. In total, the program delivered 23.1 million impressions.

• The National Geographic Channel’s filming of the World’s Smart Cities: San Diego documentary was a major initiative for the SDTA in FY2015. The National Geographic Channel identified San Diego as a smart city of the future and profiled the innovation, talent and lifestyle that makes San Diego a desirable place to visit, live and work. In the spring, the SDTA held launch events with the documentary host and featured talent in San Diego, Washington, DC, Tokyo and London. The documentary aired in 60 countries and delivered more than 60 million impressions of San Diego worldwide. This documentary is now a sales tool for hotel and convention meetings, as it showcases the innovation and talent in San Diego, often key to destination selection in important industries.
Sports First San Diego

The San Diego Sports Commission began operation under the San Diego Tourism Authority in early December 2014 and is now referred to as Sports First San Diego. The objective of Sports First is to position and market San Diego as a leading venue for sports tournaments, competitions and events. As a result of the restructuring, FY2015 was a transition year for Sports First, with much of the work dedicated to identifying and bidding for future sporting events in order to fill the event pipeline, which is currently worth 113,500 future room nights.

The SDTA-Sports First team is credited with six new confirmed event bookings that will generate an estimated 26,600 room nights between 2015 and 2019. However, as these events do not have associated booking notices, these rooms were not added to the FY2015 performance measures. Sports First’s sales efforts also booked four sporting events with signed hotel contracts worth 7,123 room nights.

*SDTA-Sports First performance measures are not included in the overall FY2015 SDTA performance measures.

FY2015 ROI

<table>
<thead>
<tr>
<th>FY2015 Funding Amount</th>
<th>$243,838</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Room Nights</td>
<td>7,123</td>
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<tr>
<td>Total Room Night Revenue</td>
<td>$1,479,447</td>
</tr>
</tbody>
</table>

* Does not include room production from FY2015 SDTA-Sports Commission merger
CONTRACTOR PERFORMANCE & IMPACT

California State Games & Winter Games

The California State Games is a multisport, Olympic-style series of events that takes place in San Diego in February, March and July of every year. Ranging from archery and tae kwon do in the summer to hockey and skating in the winter, events took place at dozens of locations throughout San Diego County in FY2015.

A large majority of athletes competing were under the age of 18, and attended the State Games along with their families and coaches. These athletes and their families came to San Diego to compete, take an extended vacation and stay in SDTMD properties. The California State Games recently added a mandatory hotel booking policy stating teams must stay at host SDTMD lodgings. An estimated 12,094 SDTMD hotel room nights were booked in FY2015 as a result of the games.

With SDTMD funds, the games’ organizer was able to hire an additional marketing manager, who worked with each individual sport in determining the best ways to inform and entice coaches and athletes to attend the games. With the deployment of more promotional signage, banners and tents at other events, they were able to increase the exposure of the games around the state, with a focus on Northern California.

Highlights
• The events connected to the California State Games brought tens of thousands of families, spectators and players to San Diego during both the summer and winter months
• Almost 10,000 athletes participated the winter and summer California State Games
• The opening ceremonies for the Summer Games were the most attended with some 20,000 athletes and family members
• The Winter Games had the highest attendance in history with some 88 teams from the Western United States and Canada

11:1 FY2015 ROI

FY2015 Funding Amount $150,000
Hotel Room Nights 12,094
x Average Daily Rate: ADR $135.04*
= Total Room Night Revenue $1,633,148

* Combined average of summer and winter events

San Diego Bayfair is a three-day festival held in Mission Bay Park, with powerboat racing as its marquee event. This beach festival considers itself the “World Series of Powerboat Racing.” Celebrating its 50th anniversary, some 75 teams competed on Mission Bay from September 12-14, 2014. The event is family oriented, providing food, kids’ activities and a variety of other attractions.

Founded by famed Unlimited hydroplane racer Bill Muncey in 1964, the event has grown to become a yearly tradition and has expanded well beyond its regional attendance base. The estimated 93,000 attendees from Southern California and throughout the United States are primarily drawn by the fastest boats in the world, H1 Unlimited hydroplanes, as well as a freestyle motocross competition that was added in 2012.

Organizers launched significant marketing efforts using SDTMD funding to attract a diverse range of competitors, support staff and visiting guests to SDTMD lodging properties. Funds were used to cover a substantial portion of the fees charged by the H1 Unlimited to appear in San Diego. Each year, the tour is a significant generator of lodging room nights from the race teams and fans who travel to see the Unlimited hydroplanes.

Highlights
• To celebrate its 50th anniversary, Bayfair hosted a series of special events, including a Hall of Fame and restoration of the Bill Muncey Memorial on Ski Beach
• H1 Unlimited hydroplanes, considered the fastest boats in the world, competed as the main draw to the event
• Grand Prix West “big-block” hydroplanes also provided exciting racing action
• The Thunder Road Nationals Car Show took place during Bayfair as well, with proceeds benefitting Wounded Warrior Homes in San Diego
• Media coverage was exceptionally strong this year thanks to the addition of wooden Ferrari boats, which went into the water outside of Italy for the first time

25:1 FY2015 ROI

FY2015 Funding Amount $85,000*
Hotel Room Nights 12,282
x Average Daily Rate: ADR $170.21
= Total Room Night Revenue $2,090,521

* Actual Reimbursement
The Hunchback of Notre Dame was a musical production staged at the La Jolla Playhouse in partnership with Disney Theatrical Productions. The show ran from October 26 through December 14, 2014. This Victor Hugo classic was the only stage collaboration between composer Alan Menken and lyricist Stephen Schwartz.

Because of funds from SDTMD, the La Jolla Playhouse Communications Department was able to perform targeted group meeting and consumer direct marketing campaigns to attract non-local theatergoers, specifically in the Los Angeles/Orange County and San Francisco areas. The campaign included print and online advertising, as well as an e-mail to Just My Ticket members. These ads were above and beyond the playhouse’s normally scheduled and budgeted strategy campaigns.

SDTMD funds allowed the La Jolla Playhouse to cast a wider, strategic advertising net, targeting theater-going tourists from other culturally prominent areas of California, which supported incremental overnight stays in SDTMD properties.

San Diego Beer Week has become a premier, extended craft beer festival. The goal of the over 500 events is to promote San Diego’s thriving craft beer culture. The 2014 celebration included some 60 breweries that participated in beer dinners, tours, classes, bottle tastings and a variety of festivals. San Diego Beer Week has grown consistently over the past few years and has become a “San Diego” event during the shoulder season in November.

SDTMD funds supported marketing campaigns in targeted publications to promote a unique San Diego beer experience that attracted out-of-town visitors during San Diego Beer Week. In addition, the organizer mounted consumer direct promotional marketing and public relations campaigns to appropriate beer and geo-targeted websites and social networks.

San Diego Beer Week was completely redesigned to increase functionality, making it mobile friendly and allowing sorting of events. A “hotel” section was also added with SDTMD hotels highlighted.

A newly hired social media expert increased the exposure of the events on Facebook and Twitter, and the lodging web page was highlighted through these sources.

The San Diego Brewers Guild Craft Beer Map & Guide were completely redesigned, San Diego Beer Week was added and the number of San Diego locations increased from 200 to 800. Circulation of the guide was increased from 45,000 to 180,000.

The first-ever San Diego Beer Week Economic and Tourism Summit took place one month prior to San Diego Beer Week, with local brewers, hoteliers, restaurateurs and other businesses and organizations coming together to identify more ways people can participate.

12:1 FY2015 ROI

<table>
<thead>
<tr>
<th>FY2015 Funding Amount</th>
<th>$18,114*</th>
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</thead>
<tbody>
<tr>
<td>Hotel Room Nights</td>
<td>1,500</td>
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<tr>
<td>x Average Daily Rate: ADR</td>
<td>$149.76</td>
</tr>
<tr>
<td>= Total Room Night Revenue</td>
<td>$224,605</td>
</tr>
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</table>

* Actual Reimbursement

17:1 FY2015 ROI

<table>
<thead>
<tr>
<th>FY2015 Funding Amount</th>
<th>$57,130*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Room Nights</td>
<td>6,900</td>
</tr>
<tr>
<td>x Average Daily Rate: ADR</td>
<td>$139.48</td>
</tr>
<tr>
<td>= Total Room Night Revenue</td>
<td>$962,412</td>
</tr>
</tbody>
</table>

* Actual Reimbursement
The San Diego Bowl Game Association hosts both the Holiday and Poinsettia Bowls every year. The Holiday Bowl is a San Diego institution, consistently drawing over 50,000 spectators each year. A significant number of these spectators are non-locals who come to San Diego specifically to attend the game. The Poinsettia Bowl is the newer of the bowl games, but has slowly gained popularity, particularly when Navy and San Diego State University played against each other in 2014.

The San Diego Bowl Game Association produced two college football bowl games in December 2014, the National University Holiday Bowl and the San Diego County Credit Union Poinsettia Bowl. The Poinsettia Bowl was played on December 23, 2014, and featured San Diego State University from the Mountain West Conference and the Naval Academy. The Holiday Bowl was played on December 27, 2014, and featured USC from the Pac-12 Conference and the University of Nebraska from the Big Ten Conference.

The Holiday Bowl attracts major college football programs because of its significant team payout. In 2014 (FY2015), the Holiday Bowl’s combined team payout was $5.67 million. The Poinsettia Bowl’s combined team payout in 2014 was $1.21 million. For the Poinsettia Bowl and Holiday Bowl to maintain their current selection status, meeting and exceeding the current payout numbers is critical. Therefore, SDTMD funding amount went directly to team payout.

### Highlights
- The Bowl Games have generated an average of 33,000 hotel room nights in the month of December for the past five years.
- Organizers spent $20,000 of SDTMD funds for tourism promotion in San Diego, Nebraska and the USC market in 2014 to promote travel to San Diego.
- Since 1978, the resulting economic impact on San Diego has totaled over $700 million.
- Millions of households see San Diego in December as a result of the national game coverage by ESPN. This media exposure showcases San Diego as a warm and sunny destination while much of the country is experiencing winter conditions.

### CENTURY CLUB OF SAN DIEGO

**FARMERS INSURANCE OPEN**

Founded in 1961, the Century Club of San Diego is a 501(c)(3), nonprofit organization of 53 dedicated men and women who promote and sell the Farmers Insurance Open. The 2015 Farmers Insurance Open boasted over 24.5 million U.S. viewers, reached 140 different countries and was seen in over 350 million households globally during four days of CBS and Golf Channel coverage.

The Century Club used SDTMD funds to execute a destination advertising program that highlighted the City of San Diego and the Farmers Insurance Open during the fall months of 2014 and into the new year. The goal of the program was to increase advance out-of-market awareness for the tournament, thereby offering a compelling reason to visit San Diego during the first week of February.

The destination advertising program utilized three primary tactics to drive awareness: an agency partner, the tournament website and partnerships with key travel and destination event companies. The resulting advertising campaign highlighted top PGA Tour players and the beauty of San Diego, to show there are many reasons to make a trip to San Diego for the Farmers Insurance Open. As part of the strategy, the Century Club aligned its campaign and markets with the San Diego Tourism Authority to benefit from existing marketing programs in those markets.

### Highlights
- Over 60,000 spectators attended this year’s Farmers Insurance Open. Approximately half of those attendees were non-locals.
- According to the Century Club, about 40 percent of those attending the Open were first-time attendees.
- Almost all of those non-local attendees who came specifically to San Diego for the event stayed in local lodgings.
- The Farmers Insurance Open drew significant attention to San Diego during the month of February, with approximately 20 hours of live TV coverage and over 30 million worldwide TV viewers in 140 countries. This exposure of San Diego happened at an ideal time, when significant portions of the country were experiencing colder weather.
**CONTRACTOR PERFORMANCE & IMPACT**

**SAN DIEGO CREW CLASSIC**

After almost 40 years, the annual San Diego Crew Classic is viewed as the premier spring rowing event in the United States. In 2015, some 35 events took place, with 4,500 athletes participating in races along the shores of Mission Bay Park. The two-day event included retail kiosks, a variety of foods and a Jumbotron viewing area as its center point.

The two-day regatta has grown significantly since SDTMD funding was first received in FY2009. In 2015, the event featured more than 450 boats from 76 U.S. cities, Canada, Mexico and Great Britain. The year before first receiving SDTMD funding, only 340 boats competed.

Event planners used SDTMD funding in FY2015 to support team payouts, generate affinity, develop direct marketing materials/brochures and assist in travel trade promotional efforts. Through support from SDTMD, the event organizers have been able to realize the goal of growing the event while simultaneously increasing room night demand.

### Highlights
- The 2015 event included the first annual Freedom Rows event, which consisted of former military rowers
- The second annual Rowak event took place in 2015 and included K4 kayak vs. a 4 rowing shell
- The San Diego Crew Classic partnered with the National Rowing Foundation and hosted the 1980 and 1984 Olympic teams to help generate funds to support the 2016 team in Rio
- All of the athletes and crews stayed in SDTMD hotels

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**COMPETITOR GROUP\nROCK ‘n’ ROLL MARATHON & HALF MARATHON**

Competitor Group is a media and event organization that hosts the annual San Diego Rock ‘n’ Roll Marathon, which took place in 2015 on Sunday, May 31. The event included a full marathon, a half marathon, live local bands, a headliner concert and a health and fitness expo. The race originated in San Diego in 1998 and has spread to over 25 locations across the United States and Europe.

SDTMD funding was used to support grassroots promotion and marketing efforts, including expo booths placed at a variety of marathons around the country crucial to attracting out-of-market runners to the San Diego race. Funding was also used to support a number of consumer direct programs, including digital ad placements on endemic sites and geo-targeted social media content.

### Highlights
- There were over 22,000 race participants from 50 states and 42 countries, as reported by Competitor Group
- The 2015 event included the first 5K event on the day before the main race. The Remix Challenge Medal was created for anyone who raced both days of the weekend
- The race earned significant national media attention due to two-time cancer survivor 92-year-old Harriette Thompson, who participated in and finished the marathon
- The Rock ‘n’ Roll Marathon was used as the lead in a series of videos and interviews titled Why Running Rocks, which were featured across a number of social media channels
## Statements of Financial Position

For the Years Ended June 30, 2015 and 2014

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<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Current assets</td>
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<td>Accounts receivable</td>
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<td>Prepaid expenses</td>
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<td>Accrued interest income</td>
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<td>Total current assets</td>
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<td>Other assets</td>
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<td>Security deposits</td>
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<td>City holdbacks</td>
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<td>Total other assets</td>
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<td>Total assets</td>
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## Liabilities and Net Assets

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<tr>
<th>Liabilities and Net Assets</th>
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<th>2014</th>
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<tbody>
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<td>Current liabilities</td>
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<tr>
<td>Accounts payable</td>
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</tr>
<tr>
<td>Accrued expenses</td>
<td>8,856</td>
<td>7,583</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>13,636,075</td>
<td>13,319,625</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$ 20,598,622</td>
<td>$ 18,290,029</td>
</tr>
<tr>
<td>Long-term debt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>282,177</td>
<td>232,416</td>
</tr>
<tr>
<td>Indemnification reserve</td>
<td>12,000,000</td>
<td>5,500,000</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>$ 12,282,177</td>
<td>$ 5,732,416</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 32,880,799</td>
<td>$ 24,022,445</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>925,112</td>
<td>1,024,792</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$ 925,112</td>
<td>$ 1,024,792</td>
</tr>
</tbody>
</table>

## Statements of Activities

For the Years Ended June 30, 2015 and 2014

<table>
<thead>
<tr>
<th>Activities</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue and support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism Marketing District revenue</td>
<td>$ 26,918,042</td>
<td>$ 18,885,223</td>
</tr>
<tr>
<td>Other income</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$ 151,619</td>
<td>74,616</td>
</tr>
<tr>
<td>Total revenue and support</td>
<td>$ 27,072,161</td>
<td>$ 18,959,839</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocations to contractors**</td>
<td>$ 24,299,828</td>
<td>17,693,459</td>
</tr>
<tr>
<td>Tourism Development</td>
<td>$ 500,000</td>
<td></td>
</tr>
<tr>
<td>Total program expenses</td>
<td>$ 24,799,828</td>
<td>17,693,459</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SDTMD operations</td>
<td>1,970,912</td>
<td>1,048,206</td>
</tr>
<tr>
<td>Administrative fee to the City of San Diego</td>
<td>401,101</td>
<td>332,905</td>
</tr>
<tr>
<td>Start-up costs - contract renewal</td>
<td>$ 60,000</td>
<td></td>
</tr>
<tr>
<td>Total support services expenses</td>
<td>$ 2,372,013</td>
<td>1,441,111</td>
</tr>
<tr>
<td>Decrease in unrestricted net assets</td>
<td>(99,680)</td>
<td>(174,731)</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>1,024,792</td>
<td>1,199,523</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$ 925,112</td>
<td>$ 1,024,792</td>
</tr>
</tbody>
</table>

*Further detail on the SDTMD Corporation’s audited FY 2014 and FY 2015 financials can be obtained from our website at sdtmd.org/reports

**Includes closeout of old district
Board of Directors

William L. Evans, Chairman of the Board
Partner, Evans Hotels

Matt Greene, Vice Chairman of the Board
Vice President of Operations, Evolution Hospitality

Jody Blackinton, Treasurer of the Board
Regional Director of West Coast Operations, Hersha Hospitality

Colleen Anderson, Secretary of the Board
General Manager, Omni San Diego Hotel

Richard Bartell
President, Bartell Hotels

C. Terry Brown
President, Atlas Hotels

John Gates
General Manager, Rancho Bernardo Inn

Tom Voss
President, Manchester Financial Group, The Grand Del Mar

Scott Hermes
General Manager, Sheraton San Diego Hotel & Marina