

SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS REGULAR MEETING & CLOSED SESSION
Marriott Marquis San Diego Marina – Room: Solana (open session)
& Leucadia (closed session)
333 W. Harbor Drive, San Diego, CA 92101-7709
Friday, December 9, 2016
9:00 a.m.

MINUTES

CALL TO ORDER:

Bill Evans, Chair, called the meeting to order at 9:00 a.m.

Board members present: Bill Evans, Scott Hermes, Matt Greene, Colleen Cronin Anderson, Tuni Kyi, Matt Adams, John Gates, and Richard Bartell.

Board member absent: Terry Brown.

Also in attendance: Jere Batten, Batten Accountancy; John Lambeth, attorney; and Brian Hughes, Executive Director.

INTRODUCTIONS:

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 and must disclose any communications they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

CLOSED SESSION PUBLIC COMMENT:

None.

CLOSED SESSION ITEMS:

John Lambeth announced the Board would be discussing the three items on the closed session agenda.

ADJOURN TO CLOSED SESSION:

Chair Evans adjourned the meeting to closed session at 9:02 a.m.

RECONVENED TO OPEN SESSION:

Chair Evans reconvened the meeting to open session at 10:33 a.m.

CLOSED SESSION REPORT:

John Lambeth reported that the Board took action authorizing Colantuono, Highsmith and Whatley to file a motion to intervene on behalf of the SDTMD in the case Reid v. City of San Diego – San Diego County Superior Court No. 37-2016-00041207-CU-MC-CTL.

PUBLIC COMMENT:

- 1) Kris Michell, President of the Downtown San Diego Partnership, and Alonzo Vivas, Executive Director of Clean and Safe: Kris Michell presented information on the Family Reunification Program. They have reunited more than 1,020 individuals with their families.

INFORMATION ITEMS:

- 1) 20-Year Destination Master Plan (DMP) Implementation Plan: James McIntosh and Amber Lingle from MJE marketing gave a summary of the strategic plan to implement the DMP. Mr. McIntosh talked about the plan and momentum. They talked about next steps including messaging and rebranding. Mr. Hermes asked about who would be involved and when this project would start. Mr. Hermes expressed his excitement and support for the project.
- 2) Carl Winston from Real World Academics gave the Board an update on the FY 2017 budget, program, and services.

ACTION ITEMS:

- 1) (Agenda Action Item #3) Director's & Officers Insurance: Brian Hughes explained the coverage options and the expense. Mr. Gates moved to apply for additional insurance pursuant to the exhibit. Mr. Greene seconded the motion. Yes 8, No 0, Abstain 0.
- 2) (Agenda Action Item #8) SDTMD Bylaw Amendment: Brian Hughes explained the amendment. Chair Evans described the issue of losing three board members at the same time. John Lambeth described that this amendment does not extend any Board members' term of service, it just allows the Board to vote on an extension in the future. Mr. Hermes moved to adopt the bylaws amendment. Ms. Anderson seconded the motion. Yes 8, No 0, Abstain 0.
- 3) (Agenda Action Item #9) San Diego Convention Center Expansion Analysis: Chair Evans gave background on this item. Mr. Adams asked about others' interest in funding this item. Mr. Kyi moved to approve the agreement. Mr. Gates seconded the motion. Yes 8, No 0, Abstain 0.
- 4) (Agenda Action Item #1) Approval of Minutes: The October 28, 2016 meeting minutes were reviewed, discussed, and considered for approval. Mr. Greene moved to approve the minutes. Mr. Hermes seconded the motion. Yes 8, No 0, Abstain 0.

Chair Evans and Mr. Kyi left the meeting.

- 5) (Agenda Action Item #2) Red Bull Air Race: David Swanwick, with Mountain Sports International, and Eric Wolf, CEO of Redbull Air Races, addressed the board. Mr. Swanwick gave background on the air race. They project 35,989 room nights at an ADR of \$160.12. They are requesting \$400,000 with an ROI of 14.4:1. Total spend on the race is \$6.35 million. Mr. Bartell asked about the SDTMD funding in 2009. Brian Hughes stated the funding was \$125,000 and ROI was 11:1. Mr. Bartell asked what has changed. Mr. Wolf stated that more recent experiences, including in Fort Worth have led to higher returns. Mr. Bartell asked how they are attracting visitors and if SDTMD was being asked to fund production or just marketing. Mr. Swanwick said it was both production and marketing. Mr. Bartell asked if this funding would

have to come out of the opportunity/ catastrophe fund. Mr. Gates asked about the program. Mr. Adams asked about production cost estimates. Mr. Bartell asked about support by the Port. Mr. Swanwick said they are on the agenda for the Port to abate expenses. Mr. Gates asked about Fort Worth's support of their race. Joe Terzi said it is a great opportunity for exposure but said it would be worth looking into the room night projection. Mr. Greene said this is a great event, but that he would like to see a validation of the room nights. Mr. Bartell said he likes the event but would also like to see an evaluation of the room nights. Mr. Greene said that this event is a good return event if room nights come in lower than projected. Ms. Anderson moved to approve the funding request of \$400,000 by supplementing the SDTA budget. Mr. Greene seconded the motion. Yes 4: Hermes, Greene, Anderson, Adams, No 2: Gates, Bartell, Abstain 0.

- 6) (Agenda Action Item #4) FY 2017 Part I California State Games Line Item Budget Revisions: Jere Batten explained the revision. Mr. Bartell moved to approve the revision. Mr. Greene seconded the motion. Yes 6, No 0, Abstain 0.
- 7) (Agenda Action Item #5) FY 2017 Part II Masters Games Line Item Budget Revisions: Brian Hughes explained this is to reallocate personnel expenses. Ms. Anderson moved to approve the revision. Mr. Bartell seconded the motion. Yes 6, No 0, Abstain 0.
- 8) (Agenda Action Item #7) 1st Quarter FY17 A1 Allocation Summary Report: Rick Meza from SDTA presented on the expenditure breakdown by category. Mr. Greene moved to approve the summary report. Mr. Adams seconded the motion. Yes 6, No 0, Abstain 0.
- 9) (Agenda Information Item #1) Major Subcontractor (Legal, Communications, Accounting) RFP update: Brian Hughes gave the Board an update on the RFP process.
- 10) (Agenda Action Item #6) Administrative Budget Line Item Revisions FY17 – Part I: This item was not considered by the Board at this meeting.

Mr. Hermes adjourned the meeting without objection at 12:10 p.m.

Approved _____
Matt Greene, Secretary

Date _____