Message from the Chairman & Executive Director

Fiscal Year 2018 was an exciting year for both the San Diego Tourism Marketing District (SDTMD) and San Diego tourism. Continuing the upward trend of the previous four years, SDTMD hotels enjoyed record-breaking occupancy and rate performance. Transient Occupancy Tax (TOT) collections once again saw year-over-year growth and ended the year at $232 million. Long-awaited new hotel projects were completed, the first of nearly 1,400 new hotel rooms anticipated in the City of San Diego by 2020. And the City was host to 14 SDTMD-funded regional events that brought thousands of visitors to San Diego and generated a combined return on investment (ROI) of $11.81 for every $1.00 invested by the SDTMD.

**FY 2018 SDTMD-Funded Events ROI Highlights:**

- California State Games 14.9:1
- San Diego Bayfair/Thunderboats 30.6:1
- Surf Challenge (Soccer) 17.4:1
- Breeders’ Cup World Championship 36.1:1
- Farmers Insurance Open 76.3:1

Just as noteworthy, in FY18 SDTMD realized the much-anticipated activation of its 20-year destination master plan, Experience San Diego Destination 2040. The release of $3 million from SDTMD’s legal reserve supported three key, year-one marketing initiatives as outlined in the plan: recapturing the Los Angeles leisure market, developing the inbound Chinese market and elevating the profile of Balboa Park into an iconic San Diego destination. The impact of these initiatives is intended to position San Diego tourism for long-term success resulting in significant ROI for years to come.

While San Diego tourism has enjoyed steady growth and prosperity in recent years, we have turned a critical eye toward challenges on the horizon. The current hotel growth is coming at a time when there are few new demand drivers. The San Diego Convention Center expansion is still to be determined and there are no new major attractions opening in the area. Meanwhile, other Southern California destinations are expanding their attractions, investing in tourism infrastructure and growing their marketing budgets.

To combat these pressures, the Board of Directors remains steadfast in its strong stewardship of SDTMD dollars and goal of generating the maximum ROI to benefit SDTMD-paying hotels and, in turn, the overall San Diego economy. SDTMD will continue to partner with the City of San Diego to deliver new and exciting events to generate hotel room nights. We also will continue to champion and support Experience San Diego with an eye on achieving our 'Declaration for Success' of increasing hotel tax contributions by 40 percent over the next five years.

Thank you for taking the time to read this Annual Report. We look forward to sharing the journey with you.

Very sincerely,

Richard Bartell
Board Chairperson

Colleen Anderson
Executive Director
The San Diego Tourism Marketing District is a Tourism Business Improvement District serving all areas within the City of San Diego. SDTMD allows lodging businesses within the City of San Diego to support efforts to increase tourism in the City, which in turn increases hotel room night stays and, therefore, increases transient occupancy tax (TOT) revenue back to the City. Through this model, the tourism marketing district creates a true economic engine for the City. Lodging businesses with 70 rooms or more located in the City of San Diego are assessed a 2 percent fee on each room night. SDTMD uses these dollars to fund programs, services and special events that will deliver room night sales to its assessed members.

In FY18, SDTMD-funded programs were directly responsible for more than $783 million in hotel room revenue. This translates to more than $82 million in TOT revenue for the City. Put another way, without the important work of the SDTMD, there not only would be fewer tourism jobs, but also 35 percent fewer dollars for the City to use toward enhancing the quality of life for all San Diegans in the form of city services, infrastructure, homeless services, the environment and much more.
SDTMD Goals

- **Attract tourism activity**
- **Activate the Experience San Diego master plan**
- **Increase market share**
- **TOT growth of 43% over five years: $939M (FY13-FY17) $1.33B (FY18-FY22)**
- **Increase overnight stays and ROI**

FY 2018 Annual Report
Experience San Diego  
Destination 2040

Funded by SDTMD, Experience San Diego Destination 2040 is the City of San Diego’s first destination master plan. This 20-year plan lays out ambitious but attainable strategies to attract more visitors, increase visitor spending and improve the quality of life for all San Diegans.

The Plan Focuses on Four Key Pillars:

- Investing in new and existing leisure assets
- Expanding meeting & convention tourism
- Improving transportation to ease visitor access
- Investing in the San Diego brand to grow and extend reach

Experience San Diego’s Declaration for Success is to collect $1.3 billion in TOT over the next five years (FY18-FY22) and $948 million per annum by 2040. TOT is a tax on visitor hotel night revenue and the third largest source of revenue for the City of San Diego. TOT provides a revenue stream to the City that is used for infrastructure, street repair, parks, public safety, homeless services, the environment and much more. Over the past four years, TOT has increased an average of eight percent annually.

Experience San Diego Goals

- REIMAGINE San Diego as a compelling destination—
- INCREASE visitor spending to grow the economy—
- ENHANCE quality of life for all San Diegans—

- Attract new leisure assets and expand meetings and convention tourism
- Longer stays stimulate more visitor spending in the local economy
- Partner with community organizations to enhance quality of life
Experience San Diego
Year-One Accomplishments

Under the guidance of a steering committee made up of 16 tourism, business, government, education and civic leaders, activation of Experience San Diego began in FY18 with the release of $3 million from SDTMD’s litigation reserve to support three priorities: marketing Balboa Park, developing the Chinese market and reclaiming the Los Angeles leisure market. The Balboa Park and Chinese initiatives were identified as long-term strategies and year-one funding supported non-ROI generating activities necessary for laying the groundwork in achieving Experience San Diego’s vision.

With a solid vision established and activation achieved, in July 2018 the long-term planning and responsibility for the destination master plan transitioned from the steering committee to the San Diego Tourism Authority (SDTA), the City’s destination marketing organization. SDTA will guide the development of 3-, 5- and 10-year strategic plans based on Experience San Diego’s four pillars. The SDTMD Board will continue to steward the funds to support its ongoing implementation and champion Experience San Diego’s goals.

FY 2018 Accomplishments

- Established a director of cultural tourism for Balboa Park to increase visibility and create a unified voice for the park.

- Solidified a partnership with National Geographic that included broadcast, print, social media and digital storytelling components to highlight Balboa Park.

- Conducted in-market focus groups and adopted new marketing strategies, including custom media programs, influencer partnerships and communications tailored specifically to the LA audience, to entice more visitors from the Los Angeles leisure market.

- Elevated San Diego as a featured destination in the Chinese market through a strategic partnership with Brand USA, enhanced digital and social media strategies and in-language video content.

- Educated SDTMD hotel sales teams on selling San Diego with one voice, one message and one brand through the Meetings Certified Training program.
A Decade of Tourism Stewardship

- **DECEMBER 2007**: Hotels vote to participate in a tourism marketing district.
- **MARCH 2008**: City of San Diego approves an additional five-year contract with SDTMD.
- **JANUARY 2008**: Collection of assessments begin.
- **APRIL 2008**: SDTMD is approved for a five-year contract with the City of San Diego; first board meeting held.
- **NOVEMBER 2014**: SDTMD funds development of a Destination Master Plan.
First Destination Master Plan in the history of San Diego complete.

Experience San Diego, Destination 2040 (formerly known as Destination Master Plan) steering committee formed.

SDTMD Board approves three major marketing projects recommended by the Experience San Diego Steering Committee: Chinese Tourism Market Development, Los Angeles Leisure Marketing and Balboa Park Marketing.

San Diego City Council approves the release of $3M in funding for these initiatives.

Declaration for Success adopted—$1.33 billion in TOT over the next five years (FY18-FY22), growth of $400 million or 43 percent over the preceding five years (FY13-FY17).

SDTMD funds development of a Destination Master Plan.

SDTMD Board approves additional funding in support of Experience San Diego initiatives targeting domestic leisure travel and the affluent Mexican market.

SDTMD completes five-year milestone report and presents to the City.

San Diego City Council approves the release of $5M in funding for new Experience San Diego initiatives.

Experience San Diego Steering Committee disbanded and responsibility for plan activation transfers to San Diego Tourism Authority.
Tourism Economic Impact
San Diego City & County

- $11.1 BILLION: Total Visitor Spending (County FY18)
- 194K+: Tourism Industry Jobs in the County
- $232 MILLION: In City TOT Collections 4.6% YOY (FY18)
- 3rd LARGEST: Tax Contributor in the City (FY18)
- 10.1 MILLION: Hotel Visitors to San Diego County
- $895 MILLION: In State & Local Taxes (County CY17)
Growth in TOT Collections
City of San Diego

SDTMD Direct Impact on TOT
City of San Diego FY 2018

SOURCE: SDTMD

Growth in Hotel Occupancy
City of San Diego

SOURCE: STR, Inc.
Market Assessment

The Economy & Travel

The global and U.S. economies are currently going strong. In the U.S., consumer confidence hit an 18-year high in September 2018, the unemployment rate fell to its lowest rate since 1969, and both inflation and wage growth are seeing just modest gains. Business confidence is high as well, but trade wars are expected to impact this view in the coming months. In the U.S., August marked the 104th month of expansion in the U.S. Travel Association’s Travel Trends Index and international visits to the U.S. are forecasted to reach a record 78 million visitors in 2018. Domestic business travel in 2018 is projected to be up 2.1 percent, while leisure travel growth is projected to grow 1.9 percent. Looking ahead, Tourism Economics predicts that travel growth overall will begin to temper to normal rates of growth more aligned with GDP.

San Diego Industry Performance

FY18 was another year of record hotel performance in San Diego. The City of San Diego averaged 79.7 percent occupancy and a $168.29 average daily rate. San Diego is a national powerhouse in the group market and averaged 31.9 percent in group occupancy, which accounted for 5.63 percent of the U.S. hotel group room nights in FY18, behind just Chicago, Washington DC, Orlando and Atlanta. The leisure transient market has been very strong as well with Friday and Saturday night occupancies averaging 83 and 87 percent respectively in FY18.

The strong performance was spread throughout the Tourism Marketing District with all areas posting RevPAR growth in positive territory, albeit at much lower growth rates compared to FY17. The La Jolla coastal area was the exception with RevPAR growth of 5.7 percent in FY18 compared to a lower 3.6 percent in FY17.

Together, the group and leisure demand across the region delivered a record $232 million in Transient Occupancy Taxes in FY18 to the City of San Diego. Even with recent record tax revenues, annual growth of TOT in the City of San Diego for FY18 was half the rate (4.6 percent) it was the previous three years (above 9 percent annually).
Marketplace Opportunities & Challenges

Looking ahead to FY19, San Diego will face challenges that are expected to weigh on spending and revenue growth.

Leisure Travel Growth to Slow

As the global and U.S. economy and travel growth rates begin to slow, competition to attract leisure travelers increases. The FY19 forecasted for San Diego hotel room demand is 2.0 percent growth compared to 1.5 percent forecasted for FY20 and FY21.

Hotel Supply Growth Will Outpace Demand Growth

San Diego’s hotel building cycle is predicted to add 4,854 rooms (7 percent of current supply) over the next few years. At the same time the economy and lodging highs begin to level off, San Diego will begin three years of supply growth outpacing demand growth. This will put pressure on price and revenues, as more hotels compete for business.

International Trade Wars and Impacts on International Visitation

Impacts of President Trump’s tariff implementation, especially with China, are expected to be felt in the economy at the beginning of 2019 as prices on consumer goods increase. The Chinese government’s response is through services, travel being the biggest. Already, 2018 Chinese arrivals to the U.S. through September are up just 1 percent and are expected to be flat for the year. China rose to be San Diego’s fourth largest international market with strong length of stay and spending patterns.

Product Development in a Competitive Marketplace

A critical component to competing for conventions and leisure travel is the product offering. While many competitive cities are developing attractions and adding convention space, San Diego’s product development has been minimal.

According to Resonance’s City Tourism Index, “Product” is San Diego’s weakest category. However, there are rays of light. The Port Authority development of Seaport San Diego (2028) and the opening of the new Comic-Con Museum in 2021 will be the next new products to lure visitors. On the meetings side, the Convention Center expansion will add another 340,000 hotel room nights that will generate spending and taxes, but that vote is now pushed back to 2020, delaying that market demand.

Meanwhile, Los Angeles has been growing their transportation infrastructure with a $14 billion overhaul of LAX and adding rail, subway, bus and other modes of transportation. In addition, they are adding new attractions such as The Academy Museum and George Lucas Museum of Narrative Art as well as building sports stadiums and entertainment districts. Anaheim just finished their convention center expansion and Disneyland will be opening Star Wars Land in Spring 2019.
Contractor Performance & Impact

SDTMD provides funding to support the marketing and promotional efforts of a variety of organizations that help the City of San Diego maintain its status as a competitive, first-tier visitor destination with compelling events and programming. The funding of these competitively-selected organizations by SDTMD has consistently resulted in growth in hotel room nights and revenue, which is vital to the strength and success of the tourism industry in San Diego.

Approximately 95 percent of SDTMD’s contractor funding in FY18 was awarded to the San Diego Tourism Authority (SDTA), the City’s Destination Marketing Organization of record. Remaining funds were allocated to local organizations that could demonstrate a projected increase in room nights at SDTMD-assessed hotels and a measurable return on investment.

All contractors supported by SDTMD are required to have clearly defined marketing strategies and activities that complement and enhance San Diego’s tourism brand. The funded attractions and events must help fill SDTMD lodging businesses. In addition, they are required to abide by all requirements set forth in the City’s Operating Agreement with SDTMD.

*SDTMD contracts with Real World Academics (RWA) to provide a consistent benchmark to compare event performance. Through a combination of electronic surveys and face-to-face interviews, RWA provides SDTMD with an analysis of each event that focuses on non-local attendees that stay in SDTMD-assessed hotels. RWA calculates room revenue generated and divides by SDTMD investment to arrive at the ROI figures.
## Contractor Funding
### FY 2018

<table>
<thead>
<tr>
<th>CONTRACTORS</th>
<th>FUNDING</th>
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</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority (SDTA) — Base Program Funding</td>
<td>32,116,435</td>
</tr>
<tr>
<td>SDTA Short-term Incremental Funding (Los Angeles)</td>
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<tr>
<td>SDTA Long-term Experience San Diego Initiatives (Balboa Park and China)</td>
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<tr>
<td>Australian Football*</td>
<td>29,700</td>
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<tr>
<td>Boys ECNL Soccer*</td>
<td>72,500</td>
</tr>
<tr>
<td>Breeders’ Cup*</td>
<td>100,000</td>
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<tr>
<td>California State Games</td>
<td>150,000</td>
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<tr>
<td>DestinationCare*</td>
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<tr>
<td>Extreme Sailing*</td>
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<tr>
<td>Farmers Insurance Open</td>
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<tr>
<td>San Diego Bayfair/Thunderboats</td>
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<tr>
<td>San Diego Bowl Game Association: Holiday Bowl</td>
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<td>San Diego Brewers Guild: Beer Week</td>
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<td>San Diego Crew Classic</td>
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<td>Surf Challenge*</td>
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<tr>
<td>United States Police and Fire Championships</td>
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<tr>
<td>US National Girls Tennis Championships*</td>
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<tr>
<td>US Soccer Summer Showcase &amp; Playoffs*</td>
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<tr>
<td><strong>TOTAL REVENUE &amp; SUPPORT</strong></td>
<td><strong>$37,241,212</strong></td>
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The figures in the chart include only assessment funds. The SDTMD program includes contributions of assessment and non-assessment funds. If you would like a detailed allocation of the non-assessment funds contributed to the SDTMD program, please contact the Executive Director of the SDTMD.

*Bid fees and sponsorships funded through SDTA.
San Diego Tourism Authority

The San Diego Tourism Authority (SDTA) 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 and, as of July 2019, is governed by a 15-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 fuel SDTA efforts to promote San Diego as a diverse tourism market appealing to leisure and group travelers, and domestic and international visitors.

ROI
23.2:1

$33,116,435*
FY18 Funding Amount

$169.86
Average Daily Rate (ADR)

$767M
Total Room Night Revenue

4.5M**
Hotel Room Nights

*Does not include $2M for long-term Experience San Diego activities.
**Does not include Citywide convention room nights.
Group Sales Highlights

- Booked 68 conventions representing over one million room nights
- Booked 424,972 new hotel meeting room nights in SDTMD properties
- The Sports Alliance team booked future events generating 120,000 hotel room nights
- Site experience team conducted 232 client events resulting in 851 hotel sites and 228 venue sites
- Campaigns influenced 4 million room nights in SDTMD properties
- Generated more than 1.9 billion paid advertising gross impressions
- Generated $36.4 million in public relations unpaid media value resulting in 2.1 billion impressions worldwide

Marketing Highlights

- Generated 15.6 million engagements with digital platforms
- Hosted 67 Travel Trade Fam Tours with 369 clients
- Enrolled 590 travel agents as San Diego Specialists
SDTA Program Highlights

KIDS FREE SAN DIEGO/FALL CAMPAIGN
SDTA continued the highly successful Kids Free San Diego campaign in the Los Angeles and Phoenix markets promoting family travel during the month of October. This coincided with a fall brand advertising campaign in LA, Phoenix and national markets. Ad campaigns ran on TV, radio, digital/online and print media and were supported by earned editorial placements, social influencer programs and owned outlets including SDTA social media and the website. The fall program influenced 808,000 room nights and $122 million in SDTMD hotel room revenue in Fall/Winter 2017-18.

PEAK SPRING/SUMMER TRAVEL CAMPAIGN
To capture travel during peak spring and summer travel seasons, a $10 million investment was made in the key markets of Boston, Chicago, Dallas, Minneapolis, New York City, Sacramento, San Francisco and Seattle. The fully integrated campaign utilized the “Happiness is Calling” branding and included TV, digital, out-of-home and print layers as well as robust owned channel and earned media programs. Digital campaigns specifically targeted Millennial and Gen X adults traveling without children and family travelers. The campaign generated nearly 900 million impressions leading into the peak travel season and is estimated to have impacted 2.2 million hotel room nights.
OWNED AND EARNED MEDIA

Owned and earned media channels work to leverage paid media and boost audience reach. The social media marketing layers included highly focused campaigns and live video within Facebook, Twitter, Google+ and Instagram. In addition, the team launched regular leisure email campaigns as well as pay-per-click campaigns on Google to reach travelers. Public relations efforts generated $36.4 million in earned media coverage with feature articles in major dailies, print magazines, broadcast stations and online outlets. The communications team hosted 280 media in San Diego and participated in media missions in both international and domestic markets.

INTERNATIONAL CAMPAIGN

During FY18, the international marketing program of work focused on eight priority markets: Australia/New Zealand, Canada, China, Germany, Japan, Mexico, Switzerland and the United Kingdom. SDTA’s strategic partnership with Brand USA extended the international media budget by more than 25 percent and partnerships with San Diego Regional Airport Authority supported the launch of new European air service through digital ad campaigns. FY18 also marked SDTA’s first year of consumer direct marketing in China.
GROUP SALES
The hotel sales team continued to focus on booking new group business for San Diego, which is defined as those meetings that have not booked in the last five years or at all. The hotel meetings team booked 424,972 new group room nights for SDTMD properties. Supporting the sales effort, the Meetings Certified Training program graduated 250 participants who were educated on selling San Diego with one voice and one vision to increase booking conversions. Further group sales impacts included the signing of 65 conventions and the fourth straight year of over one million room nights booked into future years by the Citywide sales team.

CULTURAL TOURISM
In FY18, the SDTA kicked off a five-year cultural tourism grant centered around Balboa Park. The grant allowed the SDTA to hire a new cultural tourism director and coordinator tasked with elevating San Diego, and Balboa Park specifically, as a vibrant cultural destination. By expanding content and creative assets and coordinating park relations, SDTA saw a 184 percent growth in traffic to the Balboa Park page on its website, which totaled 11.5 million impressions. The FY18 program also included a media partnership with National Geographic consisting of broadcast, print, digital and social media elements to deliver nearly 120 million gross impressions reaching the United States, Canada and the United Kingdom.
SPORTS SALES

The sports sales team exceeded their FY18 goal by 26 percent, booking 23 new events totaling 120,000 hotel room nights for future years. The event portfolio included diverse bookings in 13 unique sports while the market share in soccer continued to grow with nine new events. The sports team was successful in attracting events with wide-ranging media exposure such as the 2018 International Champions Cup between A.S. Roma and Tottenham Hotspur F.C., the inaugural Major League Rugby Championship and the return of the NCAA Men's Basketball Championship 1st and 2nd Rounds in 2022.
Australian Football
October 20-22, 2017

The US Australian Football League (USAFL) is a grassroots, amateur sports organization dedicated to the development of and participation in Australian football. The organization is focused not only on the promotion and awareness of Australian football, but also Aussie culture with a strong sense of community among USAFL clubs and club members. The 2017 tournament marked the first time in 17 years that the USAFL Nationals was played in California.

<table>
<thead>
<tr>
<th>FY18 Funding Amount</th>
<th>Hotel Room Nights</th>
<th>Average Daily Rate (ADR)</th>
<th>Total Room Night Revenue</th>
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<tbody>
<tr>
<td>$29,700*</td>
<td>1,213</td>
<td>$147.08</td>
<td>$178,408</td>
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- The 2017 tournament was the biggest in the league’s 21-year history: 53 teams spanning seven divisions, representing nearly 40 clubs across the USA and Canada.
- GoLive SportsCast streamed matches and broadcast live during the final matches.
- GoLive SportsCast also recorded footage and interviews over the weekend, which will be used to advertise the league and during the Aussie Rules football game.

*Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.
Boys ECNL Soccer
April 20-22, 2018

The Boys Elite Clubs National League (Boys ECNL) was founded to improve the daily environment for boys youth soccer players through a collaborative club-based development program featuring competition, player identification, and coaching and club development platforms. The Boys ECNL includes both regular season conference games and cross-conference events. Qualifying teams from the Boys ECNL advance to the post-season Elite National Premier League (ENPL) Playoffs.

$72,500*  
FY18 Funding Amount

2,488  
Hotel Room Nights

$161.72  
Average Daily Rate (ADR)

$402,359  
Total Room Night Revenue

ROI  
5.5:1

• 118 teams competed in the 2018 event at the Surf Cup Sports Park.

• This event took place during ECNL’s first season; the league has since grown by 40 percent.

• ECNL is considering a long-term commitment for this event, as well as more tournaments, as the league develops.

• 80 percent of the teams that participated in 2018 were from out-of-state and 95 percent from out-of-county.

• Up to 655 additional room nights may have resulted from nearly 300 college coaches attending the event. No pick-up reports were available for these room nights.

*Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.
The 34th edition of the Breeders’ Cup World Championships was held for the first time at the Del Mar Racetrack “Where the Turf Meets the Surf” and the Southern California lifestyle was on full display. A fun and festive crowd of 70,420 was on hand to witness the history-making performances of some of the highest-rated fields ever assembled in Breeders’ Cup history. Nine returning champions and racing superstars from around the globe competed for $30 million in purses over two days and generated $96 million in local economic impact.

**HIGHLIGHTS**

- Gross ticket sales were $15.5 million, the second highest in Breeders’ Cup history.
- Approximately 77 percent of purchasers were from outside San Diego; 64 percent were from outside Southern California.
- Breeders’ Cup had over 50 corporate marketing partnerships that generated over $6 million in revenue.
- The Breeders’ Cup Host Committee produced the 2017 Breeders’ Cup Festival, a week-long series of events that led up to the Breeders’ Cup weekend.
- More than $200,000 was donated to local, equine and national charities.

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*Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.*
California State Games
July 2017; February & March 2018

The California State Games is a multisport, Olympics-style series of events held in summer and winter. The mission of the games is to promote health, education, well-being and community through high-quality amateur sports events. The events took place at numerous locations throughout the City with 23 sports offered during the summer games and four sports offered during the winter games.

- The events connected to the games brought thousands of athletes, families and spectators to San Diego during both the summer and winter months.
- Winter sports included ice hockey, figure skating, gymnastics and roller skating.
- Competitions were held at many venues throughout San Diego.
- SDTMD funding helped to expand summer games sports including archery, powerlifting, rugby, swimming, table tennis, water polo, weightlifting and wrestling.

ROI
14.9:1

- $150,000
  FY18 Funding Amount
- 14,039*
  Hotel Room Nights
- $159.15
  Average Daily Rate (ADR)
- $2,234,307
  Total Room Night Revenue

*Combined Average of Summer and Winter Events
Extreme Sailing
October 19-22, 2017

Established in 2007, the Extreme Sailing Series is the original “Stadium Racing” sailing series event. The San Diego competition took place on San Diego Bay immediately off Harbor Island. A series of hydro-foiling GC32 catamaran races took place over the four days and included teams from all over the world. The event includes VIP areas, viewing areas and a free race village.

$400,000*
FY18 Funding Amount

3,224
Hotel Room Nights

$204.76
Average Daily Rate (ADR)

$660,146
Total Room Night Revenue

ROI
1.7:1

*Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.

- Event organizers reached out to sailing and yacht media, as well as national daily regional publications.
- Non-sailing media coverage helped promote overnight stays in San Diego.
- Event was promoted in monthly publications/newsletters of sailing and yacht clubs on the West Coast.
- Organizers secured national and international broadcast coverage of the San Diego event.
- Some issues in assessing attendance may have left out additional room nights generated by this event.
The Farmers Insurance Open is San Diego’s prestigious PGA TOUR golf tournament played at Torrey Pines Golf Course. Since 1961, the Century Club of San Diego has been the local nonprofit organization that plans and hosts the tournament. Century Club utilizes the annual tournament to maximize support for local charities, schools and military families through funding and in-kind programs as well as to economically benefit the city.

$100,000
FY18 Funding Amount

44,434
Hotel Room Nights

$171.63
Average Daily Rate (ADR)

$7,626,207
Total Room Night Revenue

ROI
76.3:1

• Attendance was 148,786 — an 18 percent increase from 2017.

• Several focused and targeted social media campaigns were deployed and provided 840 million impressions, a 62 percent increase from 2017.

• A signature beer (10-Under) was developed in partnership with Anheuser-Busch and 10 Barrel and was only available at the tournament.

• Targeted Facebook ads were a highly effective part of the marketing campaign.
Holiday Bowl
December 28, 2017

Produced by the San Diego Bowl Game Association, the Holiday Bowl is a San Diego institution consistently drawing over 50,000 spectators each year. A significant number of these spectators are nonlocals who come to San Diego specifically to attend the game. The Holiday Bowl was played on December 28 and featured the Michigan State Spartans from the Big Ten Conference who beat the Washington State Cougars from the Pac-12 Conference.

- Since 1978, resulting economic impact of the bowl games on San Diego has totaled more than $780 million.
- Expanded marketing efforts included partnering with schools and an aggressive digital and media outreach campaign.
- Millions of households experiencing winter conditions see sunny San Diego in December as a result of game coverage by ESPN for both the game and the parade.

ROI
6.9:1

$300,000
FY18 Funding Amount

12,639
Hotel Room Nights

$164.25
Average Daily Rate (ADR)

$2,075,956
Total Room Night Revenue
San Diego Bayfair Thunderboats
September 16-17, 2017

San Diego Bayfair is a three-day festival held in Mission Bay Park with powerboat racing as its centerpiece. Many of the teams participating come from Arizona, Indiana and Washington. The event is family-oriented, offering live music, beer gardens, kids’ activities, food booths and a variety of other attractions.

HIGHLIGHTS

$95,000
FY18 Funding Amount

17,656
Hotel Room Nights

$164.54
Average Daily Rate (ADR)

$2,905,118
Total Room Night Revenue

ROI 30.6:1

• Organizers promoted the event through TV and radio ads, social media and retargeting campaigns.
• A display hydroplane made appearances at car shows in Temecula and El Cajon to hype the event.
• Increased corporate hospitality events from out-of-area clients including HomeStreet Bank, Time & Alarm and United Rentals.
• Partnered with Racing Hotels on a drive-and-stay program.
• Scouted sites for a 2018 barbecue competition at Crown Point.
San Diego Beer Week
November 3-12, 2017

San Diego Beer Week (SDBW) has become a premier, extended craft beer festival with more than 600 events promoting San Diego’s thriving craft beer culture. The 2017 celebration included approximately 60 breweries who participated in beer dinners, tours, classes, bottle tastings and a variety of festivals.

- Implemented a targeted digital and print advertising strategy that focused primarily on the Southern California and Arizona drive markets.
- Increased SDBW consumer engagement and promotion through various social media channels (Instagram, Facebook, Twitter).
- Geofencing techniques helped draw visitors to event (e.g. targeted people who attended the Great American Beer Festival).
- Promoted event through partnerships with FM94.9 Rock and Roll Happy Hour, 91X Beer for Breakfast Broadcasts and KFM-BFM 100.7.
San Diego Crew Classic
March 24-25, 2018

After 45 years, the San Diego Crew Classic is viewed as the premier Spring rowing event in the nation. More than 3,500 athletes participated in 35 events and 120 races along the shores of Mission Bay Park. The event includes retail kiosks, a variety of food booths and a Jumbotron viewing area as its center point.

- Sponsored by Union Bank, Freedom Rows returned to the San Diego event and included competitions with wounded warrior athletes and an alumni hospitality tent with food and beverages.
- Crew Classic had 413 race entries with teams from multiple U.S. states, Mexico and Canada.
- The Copley Cup format was modified to run duel races, which brought a new level of excitement to the highest level of men’s collegiate competition.
- The California SwimRun was added at the end of race day on Sunday and brought new competitors, vendors and fans.

$150,948
FY18 Funding Amount

6,524
Hotel Room Nights

$187.38*
Average Daily Rate (ADR)

$1,222,467
Total Room Night Revenue

ROI
8.1:1

*Combined average of spectators and teams.
San Diego Surf is the premier youth soccer club established in 1980 and headquartered in San Diego. Their mission is to build competitive soccer players with superior soccer skills, teamwork and sportsmanship to compete at the highest levels of the sport. The Surf Challenge is played each November in North San Diego.

**Surf Challenge**
**November 24-26, 2017**

-$50,000^*$
FY18 Funding Amount

5,491
Hotel Room Nights

$158.65
Average Daily Rate (ADR)

$871,147
Total Room Night Revenue

**ROI**
17.4:1

- An additional 54 teams competed in 2017 through a combination of increased marketing efforts and field acquisition.
- Some 400 teams were turned away for this event because of a limitation in field space in the local area.
- Event organizers are seeking to expand the event to a 2-week event going forward.
- More than 600 college coaches attended the event and could account for an additional 1,800 room nights beyond what was reported. Pick-up reports for these room nights were not available.

*Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.*
The first California Police Olympics were held in San Diego in 1967 and founded by San Diego Police Lieutenant Veon “Duke” Nyhus who recognized the need to promote physical fitness and camaraderie among members of the law enforcement community. After inclusion of firefighters in 2000 and the addition of several Western states into the competition, organizers changed the name of the competition to the Western States Police and Fire Games. Since 2012, the Games have been known as the United States Police and Fire Championships.

- 11 sports events were held at the Chula Vista Elite Athlete Training Center, formerly the Olympic Training Center.
- Athletes attended from a record 33 states.
- Increased participation resulted in 2018 from the inclusion of 11 new sports.
- The Ambassador Outreach Program attracted 100 new participants in 2018.
**Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.**

**U.S. Soccer Summer Showcase & Playoffs**

June 18–July 1, 2018

A culminating event for the boys and girls 2017-18 season, the U.S. Soccer Development Academy hosted the 11th Summer Showcase and Playoffs for the first time in San Diego. The event also featured the Girls Development Academy Showcase and Playoff games for the first time.

- The number of games in the 2018 Summer Showcase doubled from 309 in 2017 to 638 in 2018.
- Interactive augmented reality stations highlighted the tournament trophy, club map, and professional players Christian Pulisic and Mallory Pugh.
- All players in feature games were fitted with a Stats Sports GPS tracker to monitor on-field performance.
- This event had substantial additional room night generation from spectators that could not be assessed accurately in 2018.

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**HIGHLIGHTS**

- **$500,000** FY18 Funding Amount
- **10,923** Hotel Room Nights
- **$188.29** Average Daily Rate (ADR)
- **$2,056,692** Total Room Night Revenue

---

*Sports bid fees and sponsorship secured as part of SDTA’s FY18 budget.*
DestinationCare San Diego

DestinationCare San Diego (DCSD) was created to leverage San Diego’s cluster of top-tier healthcare systems and its health sciences ecosystem, along with its unique appeal as a visitor destination, to attract a new category of visitors.

Within what is now a $100 billion global medical tourism industry, DCSD is targeting those who seek top-quality care regardless of cost and will bring family members when they travel here. With seed funding from Malin Burnham and SDTMD, DCSD created a brand, formed a corporation and a Board, hired an Interim Executive Director and recruited four initial participants — Rady Children’s Hospital, Scripps Health, Sharp HealthCare and UCSD Health System. DCSD also developed and launched a web-based, analytics-driven marketing model. Currently, the focus is at the intersection of (1) the healthcare systems’ most highly rated lines of service, (2) areas in the U.S. with aligned healthcare needs and (3) individuals with appropriate socioeconomic profiles. Ongoing efforts are aimed at fine-tuning processes for converting interest and inquiry into incremental business for the healthcare systems and hospitality industry.

USTA Billie Jean King Girls National Tennis Championship

The USTA Billie Jean King Girls National Tennis Championship is the premier hard-court tennis tournament for amateur and professional American girls ages 18 and under.

The event takes place each August at the Barnes Tennis Center in San Diego and draws participants from all 50 states. The winner of the tournament receives an entry to the U.S. Open. Past tournament champions include Chris Evert, Tracy Austin, Andrea Jaeger, Zina Garrison, Mary Joe Fernandez, Jennifer Capriati and Lindsay Davenport. The FY18 event occurred over a ten-day period and was televised nationwide. An ROI study was not funded for this event due to the small funding amount. However, in FY19, SDTMD supported the event with $50,000 in funding for an ROI of 10.8 to 1.
# Statements of Financial Position

For Years Ending June 30, 2017 & 2018*

## ASSETS

<table>
<thead>
<tr>
<th>Current assets</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>2,522,614</td>
<td>1,774,220</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>3,318,778</td>
<td>1,373,253</td>
</tr>
<tr>
<td>City holdbacks current</td>
<td>6,736,882</td>
<td>11,105,611</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>309,966</td>
<td>214,060</td>
</tr>
<tr>
<td>Accrued interest income</td>
<td>71,315</td>
<td>75,679</td>
</tr>
<tr>
<td>Advances to contractors</td>
<td>806,559</td>
<td>1,322,133</td>
</tr>
<tr>
<td>Total current assets</td>
<td>13,766,114</td>
<td>15,864,956</td>
</tr>
</tbody>
</table>

| Security deposits                  | 1,538       | -           |
| City holdbacks, net of current portion | 26,000,000 | 22,000,000 |
| Total other assets                 | 26,001,538  | 22,000,000  |

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$39,767,652</td>
<td>37,864,956</td>
</tr>
</tbody>
</table>

## LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>5,818,822</td>
<td>4,909,197</td>
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<tr>
<td>Accrued expenses</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Deferred revenue</td>
<td>4,007,002</td>
<td>5,283,173</td>
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<tr>
<td>Indemnification reserve current</td>
<td>3,000,000</td>
<td>5,000,000</td>
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<tr>
<td>Total current liabilities</td>
<td>12,825,824</td>
<td>15,192,370</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Long-term debt</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenue</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Indemnification reserve, net of current portion</td>
<td>26,000,000</td>
<td>22,000,000</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>26,000,000</td>
<td>22,000,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>38,825,824</td>
<td>37,192,370</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>941,828</td>
<td>672,586</td>
</tr>
<tr>
<td>Total net assets</td>
<td>941,828</td>
<td>672,586</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$39,767,652</td>
<td>37,864,956</td>
</tr>
</tbody>
</table>
# Statements of Activities

For Years Ending June 30, 2017 & 2018*

## REVENUE & SUPPORT

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Marketing District revenue</td>
<td>33,074,241</td>
<td>38,243,775</td>
</tr>
<tr>
<td>Other income</td>
<td>30,874</td>
<td>30,603</td>
</tr>
<tr>
<td>Interest income</td>
<td>418,922</td>
<td>463,646</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE &amp; SUPPORT</strong></td>
<td><strong>$33,524,037</strong></td>
<td><strong>38,738,024</strong></td>
</tr>
</tbody>
</table>

## EXPENSES

### Program services

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocations to contractors</td>
<td>31,454,983</td>
<td>37,241,212</td>
</tr>
<tr>
<td>Tourism development</td>
<td>182,560</td>
<td>177,590</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAM EXPENSES</strong></td>
<td><strong>$31,637,543</strong></td>
<td><strong>37,418,802</strong></td>
</tr>
</tbody>
</table>

### SUPPORT SERVICES

### Management & general

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDTMD operations</td>
<td>1,628,123</td>
<td>1,131,633</td>
</tr>
<tr>
<td>Administrative fee to the City of San Diego</td>
<td>529,275</td>
<td>456,831</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORT SERVICES EXPENSES</strong></td>
<td><strong>$2,157,398</strong></td>
<td><strong>1,588,464</strong></td>
</tr>
</tbody>
</table>

### Increase (decrease) in unrestricted net assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>1,212,732</td>
<td>941,828</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>941,828</td>
<td>672,586</td>
</tr>
</tbody>
</table>

* Further detail on the SDTMD Corporation’s audited financials can be obtained from our website at sdtmd.org/reports.
Board of Directors FY 2019

EXECUTIVE OFFICERS

Richard Bartell | Chair
President, Bartell Hotels

C. Terry Brown | Vice-Chair
President, Atlas Hotels

Matt Greene | Secretary
SVP Operations, Evolution Hospitality

Vikram Sood | Treasurer
SVP Operations, RAR Hospitality

BOARD MEMBERS

Ilsa Butler
SVP Sales & Marketing, Evans Hotels

Steve Cowan
General Manager, Hilton San Diego Bayfront

Tim Herrmann
General Manager, Marriott Marquis San Diego

Alyssa Turowski
General Manager, Westin San Diego

STAFF

Colleen Anderson
Executive Director
The San Diego Tourism Marketing District (SDTMD) is a city-wide Tourism Business Improvement District encompassing all areas within the city limits of the City of San Diego.