San Diego
Tourism Marketing District

Report of Activities
for FY 2020

March 19, 2019
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- California State Games – Summer & Winter
- Pro Am Beach Soccer
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- San Diego Bayfair – Thunderboats
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- San Diego Brewer’s Guild
- San Diego Crew Classic
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Introduction

About the San Diego Tourism Marketing District
The San Diego Tourism Marketing District (TMD) is an assessment district designed to facilitate the pooling of resources via the collection of assessments from San Diego lodging establishments to develop tourism within the City of San Diego to benefit the assessed businesses by increasing room night stays.

The boundaries of the TMD coincide with the City boundaries and effective September 1, 2016, all lodging businesses within the City with 70 or more rooms are assessed two percent (2%) of eligible gross room revenues.

The guiding document for the TMD is the Tourism Marketing District Management Plan (Plan) created by the assessed businesses and approved by City Council in August 2016. The Plan specifies how the assessments may be used and the general funding procedures and criteria.

The Plan also outlines the process for oversight and administration. And, perhaps most importantly, it provides for the empowerment of assessed business owners with the local expertise and knowledge to evaluate and make recommendations on programs and services to specifically benefit the assessed lodging businesses through such activities as: marketing of the area; tourism promotion activities; and special events and programs.

The San Diego Tourism Marketing District (SDTMD) Corporation is the non-profit organization representing the assessed businesses that works with the City through an Operating Agreement to implement the TMD Management Plan.

This FY 2020 Report of Activities reflects the recommended allocations of assessments for FY2020; July 1, 2019 through June 30, 2020.
Quick Facts

San Diego Tourism Marketing District:
Modified by Resolution R-310664 (August 3, 2016) effective September 1, 2016
District ends June 30, 2052

Agreement between City and TMD Management Corporation:
Approved by Resolution R-310731; effective November 1, 2016 through October 31, 2021 and
amended by Resolutions R-311182 and R-311786.

Advisory Board and Contracted TMD Management Corporation:
San Diego Tourism Marketing District (SDTMD)
750 B Street, Suite 1500, San Diego, CA 92101
(619) 557-2854 www.sdtmd.org

Assessment Methodology Authorized by Resolution No. R-310664:
The assessment rate of two percent (2%) is based on the privileges directly conferred and
specific benefit directly received by assessed businesses from the activities provided and is
levied on “Assessable Rent” which is based on gross room rental revenue less exempt revenues,
of those benefitting businesses. Only those lodging businesses with 70 or more rooms are
assessed.

No Changes to Boundaries or Assessment Methodology:
No changes are proposed to the boundaries, which encompass the entire City of San Diego.

Benefit Zones:
None

FY2020 Budget Total
Estimated Available Tourism Marketing District (TMD) Funds: $46,476,679
# Budget Summary

## CALCULATION OF AVAILABLE TOURISM MARKETING DISTRICT FUNDS FOR FY2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Assessments</td>
<td>$41,040,340</td>
</tr>
<tr>
<td>Projected carryover – Modified District</td>
<td>$4,276,339</td>
</tr>
<tr>
<td>Projected carryover – Litigation Reserve Modified District</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Projected Interest and Penalties</td>
<td>$160,000</td>
</tr>
<tr>
<td>Contributions from Other Sources of Funding*</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Total FY2020 Funds Available** $46,476,679

## PROPOSED ACTIVITIES FOR FY 2020
*(Pursuant to San Diego Tourism Marketing District Management Plan August 2016)*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Marketing and Sales Programs</td>
<td>$26,540,253</td>
</tr>
<tr>
<td>Destination Marketing</td>
<td>$14,818,085</td>
</tr>
</tbody>
</table>

**Sub-Total** $41,358,338

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Operations <em>(Includes carryover)</em></td>
<td>$2,123,154</td>
</tr>
<tr>
<td>Opportunity/Catastrophe Reserve <em>(Includes carryover Less: funds used for FY20 requests)</em></td>
<td>$1,995,187</td>
</tr>
<tr>
<td>Indemnification reserve</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Total** $46,476,679
FY2020 Allocations

The FY2020 recommended allocations to other entities total $41,358,338. Per the FY2020 Application Guidelines, the deadline for the annual Applications was November 15, 2018. All submitted applications were reviewed, ranked, and allocations recommended. Ranking factors included time of year, new versus existing rooms, and potential for growth. Incremental applications were also considered, and prior year recommendations were also included in the final recommendation. The information below reflects the recommended amounts for FY2020.

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>TMD FUNDS</th>
<th>NON-TMD FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority</td>
<td>$39,202,838</td>
<td>$4,507,056</td>
</tr>
<tr>
<td>ANOC World Beach Games</td>
<td>500,000</td>
<td>$24,020,035</td>
</tr>
<tr>
<td>California Police Athletic Federation</td>
<td>75,000</td>
<td>456,500</td>
</tr>
<tr>
<td>California State Games – Summer</td>
<td>125,000</td>
<td>360,600</td>
</tr>
<tr>
<td>California State Games - Winter</td>
<td>50,000</td>
<td>96,500</td>
</tr>
<tr>
<td>Pro Am Beach Soccer</td>
<td>30,000</td>
<td>56,200</td>
</tr>
<tr>
<td>San Diego Bay Wine and Food Festival</td>
<td>74,500</td>
<td>896,500</td>
</tr>
<tr>
<td>San Diego Bayfair-Thunderboats</td>
<td>95,000</td>
<td>380,000</td>
</tr>
<tr>
<td>San Diego Bowl Game Association – Holiday Bowl</td>
<td>410,000</td>
<td>8,640,269</td>
</tr>
<tr>
<td>San Diego Brewers Guild</td>
<td>31,000</td>
<td>99,000</td>
</tr>
<tr>
<td>San Diego Crew Classic</td>
<td>195,000</td>
<td>854,000</td>
</tr>
<tr>
<td>Surf Cup Thanksgiving Challenge</td>
<td>40,000</td>
<td>80,000</td>
</tr>
<tr>
<td>USA Ultimate Frisbee</td>
<td>30,000</td>
<td>81,150</td>
</tr>
<tr>
<td>Wonderfront</td>
<td>500,000</td>
<td>9,810,499</td>
</tr>
</tbody>
</table>

**TOTAL**                                             **$41,358,338** | **$50,338,309**

*Non-TMD Fund portion to be submitted by contractor. Amounts reported are estimated based on original budget submission.*
## San Diego Tourism Authority
### Budget Summary

### Targeted Marketing and Sales Programs

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, Taxes &amp; Employee benefits</td>
<td>$4,675,441</td>
</tr>
<tr>
<td>Advertising</td>
<td>15,418,698</td>
</tr>
<tr>
<td>Dues/Subscriptions/Memberships</td>
<td>102,473</td>
</tr>
<tr>
<td>Event registration fees</td>
<td>240,603</td>
</tr>
<tr>
<td>Lead generation services</td>
<td>104,032</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>590,329</td>
</tr>
<tr>
<td>Rentals – remote space office</td>
<td>61,272</td>
</tr>
<tr>
<td>Research</td>
<td>334,425</td>
</tr>
<tr>
<td>Special event production</td>
<td>68,497</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>174,059</td>
</tr>
<tr>
<td>Allocation of Indirect Costs</td>
<td>2,614,924</td>
</tr>
<tr>
<td><strong>Total Targeted Marketing and Sales Programs</strong></td>
<td><strong>24,384,753</strong></td>
</tr>
</tbody>
</table>

### Destination Marketing

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, Taxes &amp; Employee Benefits</td>
<td>1,721,947</td>
</tr>
<tr>
<td>Advertising</td>
<td>7,225,677</td>
</tr>
<tr>
<td>Advertising agency fees</td>
<td>2,169,375</td>
</tr>
<tr>
<td>Dues/Subscriptions/Memberships</td>
<td>15,219</td>
</tr>
<tr>
<td>Event registration fees</td>
<td>88,725</td>
</tr>
<tr>
<td>Outside contractors</td>
<td>1,629,127</td>
</tr>
<tr>
<td>Research</td>
<td>292,501</td>
</tr>
<tr>
<td>Special Event production</td>
<td>46,507</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>39,975</td>
</tr>
<tr>
<td>Allocation of Indirect Costs</td>
<td>1,589,032</td>
</tr>
<tr>
<td><strong>Total Destination Marketing</strong></td>
<td><strong>14,818,085</strong></td>
</tr>
</tbody>
</table>

**Total**                                    | **39,202,838** |
San Diego Tourism Authority
Program of Work

The San Diego Tourism Authority (SDTA) is San Diego’s umbrella destination marketing organization, charged with driving visitor demand and monitoring the health of the tourism industry. SDTA develops sales and marketing programs that promote San Diego as a preferred leisure and meetings destination. In collaboration with San Diego’s tourism industry partners, SDTA serves as the collective voice of the destination and aims to keep San Diego top-of-mind.

Incorporated in 1954, SDTA is a private nonprofit 501c6 corporation that is governed by a 15-member board of directors composed of industry and non-industry representatives. Funding comes from the City of San Diego Tourism Marketing District, County of San Diego, City of Coronado Tourism Improvement District and private source revenues (membership dues, advertising and events).

Investment by the SDTA in sales and marketing of the San Diego brand has resulted in San Diego becoming one of the nation’s top travel destinations.

Strategic Imperatives

- Grow visitor demand for San Diego.
- Strengthen and maximize the San Diego brand domestically and internationally.
- Deliver consistent value for our customers and stakeholders.
- Actively inform, advocate and educate on behalf of the visitor industry.
- Reinforce and support a culture of excellence.

Introduction and Overview

The 2019-2020 San Diego Destination Sales and Marketing Plan is a comprehensive plan developed to guide SDTA’s sales and marketing programs over the next two years.

The goal is to grow inbound travel demand and visitation revenues by boosting brand awareness, building new markets and converting more customers to choose San Diego.

This strategic plan has been developed with the San Diego Tourism Marketing District’s 20-Year Master Plan “Experience San Diego: Destination 2040” in mind. The plan takes into account current market conditions, tourism industry forecasts, SDTA funding resources, Visit California opportunities and Brand USA developments. Annual work plans are then developed to match funding resources to strategic initiatives.

Eight Guiding Principles Used In the Development Of The Plan

1. Drive the maximum hotel room nights for Tourism Marketing District Hotels.
2. Act as the collective voice of the destination and do what individual organizations can’t do by themselves.
3. Elevate the San Diego brand and broaden context of San Diego’s diverse travel product.

4. Leverage all SDTA’s marketing assets across Bought + Earned + Owned in order to increase San Diego’s share of voice.

5. Focus on developing new markets and audiences for the destination.

6. Align programs with Visit California and Brand USA in order to maximize efficiency.

7. Deliver strong return on investment for all major programs.

8. Support the membership by providing value and opportunity to effectively reach the marketplace.

Destination Forecast

Based on the December 2018 Tourism Economics forecast, San Diego visitation grew 2.2 percent in 2018 and is forecasted to grow 2.0 percent in 2019. Day visitors from Mexico stabilized in 2018 with overall day visitation from all markets posting growth of 2.9 percent.

Hotel demand continued to grow in 2018 (up 2.0%) and is projected to continue modest growth in 2019. Hotel room supply growth has picked up for San Diego with 2.5 percent growth forecasted in 2019 and 2.6 percent in 2020. As supply growth outpaces demand growth, maintaining hotel occupancy above 77 percent and Average Daily Rates above $170 will be a challenge for San Diego’s tourism economy.

By FY 2023, there will be 2.5 million more hotel room nights available in San Diego County for a total supply of over 25 million available room nights. In order to maintain hotel occupancy at 77 percent, the region must generate 1.7 million more room nights, an average of 350,000 more room nights per year. This is in the face of increasing competition from Anaheim and Los Angeles. Seventy percent of all room nights sold in San Diego are to the Leisure Transient segment which is highly influenced by paid media programs. Success for San Diego Tourism’s community will be heavily reliant on the leisure travel segment over the next three years.

San Diego Annual Travel Forecast (December 2018 Tourism Economics):

<table>
<thead>
<tr>
<th>San Diego Tourism Summary Outlook</th>
<th>(annual % growth, unless stated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits</td>
<td>0.3%</td>
</tr>
<tr>
<td>Day</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Overnight</td>
<td>1.2%</td>
</tr>
<tr>
<td>Expenditure</td>
<td>4.1%</td>
</tr>
<tr>
<td>Day</td>
<td>1.7%</td>
</tr>
<tr>
<td>Overnight</td>
<td>4.4%</td>
</tr>
<tr>
<td>Hotel Sector</td>
<td></td>
</tr>
<tr>
<td>Room supply</td>
<td>1.0%</td>
</tr>
<tr>
<td>Room Demand</td>
<td>1.3%</td>
</tr>
<tr>
<td>Occupancy (%)</td>
<td>77.3</td>
</tr>
<tr>
<td>ADR ($)</td>
<td>$160.11</td>
</tr>
</tbody>
</table>
San Diego Hotel Sector Forecast by Quarter

San Diego’s hotel room demand is expected to grow 2.0 percent in 2019, similar to the growth in 2018. However, 2019 will mark the start of a hotel build cycle in San Diego County. The next few years will see supply growth over 2 percent per annum, which is twice the 1 percent average growth seen over the last few years. While signs are emerging of an economic slowdown, the forecast at this time calls for solid demand to keep occupancy above 77 percent through 2020 and 76 percent thereafter through 2023. Occupancy growth is expected to decline slightly over peak travel months of Q3 in 2019 and 2020, but pick up growth in other quarters throughout the year. Growth in the average daily rate reached 3.7 percent in 2018, but the rate of growth is expected to slow as occupancies feel pressure from added supply. The forecast calls for ADR growth of 2.5 percent in both 2019 and 2020, with expected slowing to around 2.0 percent through 2022. The average daily rate is expected to surpass $180 in 2022.

<table>
<thead>
<tr>
<th>San Diego Hotel Sector Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rooms (mn roomnights)</strong></td>
</tr>
<tr>
<td>Room Supply</td>
</tr>
<tr>
<td>Room Demand</td>
</tr>
<tr>
<td>Occupancy (% balance)</td>
</tr>
<tr>
<td>ADR ($)</td>
</tr>
<tr>
<td>RevPAR ($)</td>
</tr>
<tr>
<td><strong>(year-to-year % growth)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>------</td>
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<td>------</td>
</tr>
<tr>
<td>Rooms (mn roomnights)</td>
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<td></td>
</tr>
<tr>
<td>Room Supply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room Demand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy (% balance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADR ($)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RevPAR ($)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Leisure Travel Market

Key Strategies and Tactics

- Align San Diego marketing programs with Visit California and Brand USA, capitalizing on their respective $125 million and $200 million global marketing programs. Position San Diego as the best of everything California has to offer all in one place.

- Generate maximum hotel/motel visitor volume for the destination by protecting existing volume markets and building opportunity markets.

- Invest in research and database analysis to focus marketing programs, dollars and timing against the destination’s best travel prospects.
  - Conduct deeper analysis of key spot markets to determine threats and opportunities.
  - Update the new market development matrix, evaluating market potential versus market
c. Update the five-year San Diego Tourism forecasting model.

d. Continue to invest in core visitor industry performance intelligence such as the CIC Research San Diego County Visitor Profile, Smith Travel Research San Diego Hotel Market Analysis and OTTI Overseas Travel Arrivals.

e. Continue program measurement tracking, including OmniTrak Return on Investment Advertising Studies, OTA Analysis and 3rd party data.

f. Align database analysis with online marketing to profile customers across the OWNED and SHARED media channels (website, digital, destination blog, YouTube, social media).

- Launch new advertising and media strategies based to reach the global variety seeker target audience and build on the impact of 2018-2019 advertising campaign.

  a. Continue to develop and expand desire for San Diego, reinforcing the Sunny Outlook brand positioning.

  b. Increase domestic advertising to reach new audiences and build awareness/consideration for San Diego as a desirable vacation destination.

  c. Provide deeper level of insight and information to help sell destination and drive conversion/purchase.

  d. Implement promotional strategies such as October’s Kids Free San Diego, San Diego for the Holidays, and Awesome All Year to help shore up need periods.

  e. Prioritize international advertising to established key volume markets with the greatest opportunity to drive overnight hotel stays.

  f. Promote Balboa Park as a “new” leisure asset and build awareness of Balboa Park as an iconic park in America.

  g. Raise over $500,000 annually in cooperative funding.

  h. Adjust the advertising program based on insights from the OmniTrak Advertising Return on Investment Studies.

- Increase San Diego’s share of voice and leverage the paid media budget through unpaid EARNED media programs.

  a. Public Relations—produce $30+ million annually in unpaid editorial. Expand paid advertising’s reach by targeting new markets and audiences. Continue to pitch the diversity of product as well as what’s new in the destination. Continue to target the LGBTQ+ niche and build upon U.S. Hispanic/Spanish-language outreach.

  b. Unpaid Media Promotions—generate over $500,000 annually in unpaid media promotions that extend the San Diego brand message in key geographic markets.
• Connect with travelers and communicate the depth of San Diego travel experiences through OWNED and SOCIAL media channels.
  b. Continue to build new content working with San Diego Magazine, travel writers and users to generate compelling experiences.
  c. Showcase the destination and SDTA members by driving more traffic to all channels.
  d. Partner with outside publications to produce the San Diego Official Travel Guide (San Diego Magazine), San Diego Golf Map (San Diego Certified) and San Diego Pocket Map (Where Magazine).

• Deepen alliances with community partners to promote the breadth of San Diego’s travel product:
  a. Arts and Culture—City of San Diego Commission for Arts and Culture and Balboa Park organizations
  b. Craft Beer—San Diego Brewer’s Guild
  c. Food—California Restaurant Association, San Diego Chapter
  d. Attractions – Major attraction partners
  e. Major events – Community and event organizers

• Partner with the major Online Travel Agencies to increase awareness of San Diego and grow sales of hotel room nights for the TMD.
  a. Through RFP, select key OTAs to run paid media and promotions both domestically and internationally. Effectively reach travel prospects by running high-profile placements; deploying competitive destination targeting; developing geo-targeted campaigns; and affinity targeting.
  b. Conduct reservation agent training on the San Diego travel product and experience.
  c. Facilitate bringing together OTA market managers and SDTA members to grow San Diego product inclusion in OTA channels, especially internationally.

• Assist visitors with planning their San Diego trip through:
  a. Sandiego.org —The Official Travel Resource for the San Diego Region.
  b. Visitor publications.
  c. Visitor services in the form of phone and email responses to visitor inquiries.

• Continue to market to the Travel Trade as a means of influencing transient travel to the destination.
  a. Major Travel Partners—continue to target the top-producing travel agencies through sales calls and direct marketing. Seek opportunities for partners to increase promotion of San Diego to their customers.
  b. Airline Vacation Offices – partner with key airlines to develop packages and promotions.
  c. Industry Support – continue to participate in major industry shows such as IPW to show
San Diego tourism support and build new business.

• Partner with the San Diego Regional Airport Authority to develop and support new air service, especially international routes.

• Increase international marketing programs and investment to capitalize on both the Visit California and Brand USA global marketing programs.
  a. Create individual country plans for each major international market that is targeted.
  b. Ensure a foundational layer of international development with In-Country Representation, Travel Trade Development and Public Relations.
  c. Offer the sandiego.org web site in in multiple languages and Google translate options.
  d. Develop localized social media platforms and run campaigns as feasible.
  e. Host travel trade and media FAMs to grow education among key influencers.

The Citywide Convention Market

Key Strategies and Tactics

1. Focus on the open dates within the next ten years. The success of each year is largely dependent upon the groups that book between the large Citywide conventions.
   a. Use our database of accounts to find the accounts that book within the timeframe of the open holes.
   b. Focus on the short-term open dates, evaluating the holds associated with definite business, including setup times in the halls and breakouts.

2. Develop new accounts that will book into the San Diego Convention Center.
   a. Use the tradeshows and events to familiarize new clients about how much San Diego has to offer a Citywide convention and their attendees.
   b. Utilize resources including the MINT database, Top Medical Meetings and Tradeshow Executive.

3. Secure Medical Citywide Rotations. The SDCC is a leader in servicing the lucrative Medical Citywide group market. The Sales Team continues to have excellent relationships with these clients.
   a. Continue signature events in the Midwest and DC/VA/MD regions targeting the Medical Citywide clients.
   b. Target premium large Medical Citywides for multi-year contracts.

4. Leveraging the combination of Hotel Meetings Team and Citywide Sales Team has allowed us to have more market intelligence and a stronger presence at tradeshows, sales trips, industry events and partner events, to ensure we uncover all the opportunities for San Diego.
   a. Utilize the Hotel Meetings Team (16 managers) to generate opportunities for the SDCC.
   b. Collaborate with the Hotel Meetings team to increase coverage at the events and tradeshows.
The Hotel Meetings Market

Key Strategies and Tactics

1. Continue our Customer Acquisition Program which focuses on finding a new meeting for San Diego or one that hasn’t been here in five years.
   a. Determine additional trusted partners and vendors to vet potential customer for San Diego.
   b. Schedule and execute 8 – 10 FAMs of 15 – 20 new customers each throughout the year with the assistance of CONNECT and Northstar.
   c. Host sourcing groups from key meetings and incentive companies i.e.: NHS Global, Egencia, Meetings and Incentives and Strategic Selection Sourcing.

2. Develop and effective sales advisory committee made up of committed and engaged hospitality leaders.
   a. Strategize how best to develop international meetings “MICE” programs.
   b. Create a “community connector” partnership to connect meeting planners and their companies/associates with like-minded local companies to support their meeting goals.
   c. Review potential NEW customer acquisition strategies.
   d. Develop a “Bleisure” strategy to entice meeting attendees to come in early or stay after their meeting to enjoy San Diego.

3. Expand San Diego Meeting Certified.
   a. Schedule eight classes in 2019 with five sessions on group sales managers and three sessions focused on attractions/venue and restaurant sales people.
   b. Schedule two half-day sessions for general managers and DOSMs.
   c. Ensure that all sales advisory committee members have gone through the program.

The Sports Group Sales Market

Key Strategies and Tactics

1. Attend at least three trade shows to meet with 120+ event owners annually.
   a. CONNECT Sports Marketplace
   b. TEAMS Conference and Expo
   c. National Association of Sport Commissions Symposium

2. Host 15 event owners to San Diego for a Focus Group/FAM Trip
   a. CONNECT staff to pre-screen interested clientele
   b. SDTA to determine final list of invited clients
   c. Work with local venues to showcase the best of San Diego
3. Increase inbound leads through improved website presence
   a. Work with Marketing Services to improve venue listings, contact information and format.
   b. Respond promptly to inbound leads through phone/e-mail
4. Collaborate on new opportunities with local sport venue operators
   a. Continually communicate with top venues such as Surf Cup Sports Park, SDCCU Stadium, Petco Park and local colleges to aid in new events coming to San Diego
5. Interact regularly with agencies who own event rights to keep San Diego top of mind.
   a. Soccer United Marketing/MLS – Gold Cup, Mexican National Team Tour
   c. Relevant Sports – International Champions Cup
6. Play an active role on the 2021 Breeder’s Cup and U.S. Open host committees

**International Market Development**

**Goal**
To grow international visitation to San Diego to stimulate more hotel room night demand and greater economic benefit for the San Diego community.

**From 1.8 Million International Overnight Visitors in 2014 to 2.1 Million In 2020**

**Core Objective**
To create awareness of the San Diego brand and increase consideration to travel.

**Key Strategies**
1. Identify priority markets for San Diego marketing investment.
2. Align San Diego marketing programs with Visit California and Brand USA in order to maximize efficiency.
3. Partner with the San Diego Regional Airport Authority and other Southwestern regional transportation partners to increase access to San Diego.
4. Make San Diego travel product more easily available in international markets.
5. Build a communications foundation that delivers key messaging for each of the priority markets.
6. Invest in research and tracking to support the international program of work.
**Priority Markets:**
1. Canada
2. China
3. United Kingdom/Ireland
4. Australia/New Zealand
5. Japan
6. México (air)
7. Germany/Switzerland

Funding Request $39,202,838
Funding Recommendation $39,202,838

**Ranking:**
- Directors’ Aggregate Ranking: #1 of 16

**Return on Investment (ROI) - Projected:**
- Total hotel room nights 4,471,000
- New hotel room nights of total 0
- Return @ $184.29 ADR (average daily rate) $849,232,410
- ROI 21.7:1
ANOC World Beach Games
(San Diego Exploratory Foundation)

The ANOC World Beach Games San Diego 2019 is the first global multi-sport event to bring top athletes in Beach, Water and Action Sports onto one platform under the auspices of the Association of National Olympic Committees (ANOC) and the International Federations. The 2019 Games are set to become an international launch pad that will set global trends for next generation of youth centric sports disciplines, technology set in a festival like atmosphere under the hot by day, cool by night motto. Most importantly, the ANOC World Beach Games is committed to deliver a template for clean and sustainable games and become a platform for action under the “Clean Water | Clean Games” cause overlay.

The 2019 Games are fully gender-balanced sports and athletes representing every Olympic continent in every sport. Following are the list of sports • Beach sports: Handball, Karate, Soccer, Tennis, Volleyball, Wrestling • Water sports: Kiteboarding, Surfing, Open Water Swim 5k, Wakeboarding, Waterski • Action sports: Aquathlon, 3x3 Basketball, Bouldering, Cycling/BMX, Skateboarding The Games will take place in Mission Beach on October 9th-14th with 1,360 athletes participating from 80+ countries, over a 5-day event.

NBC has signed on as broadcaster and four ads will air on NBC to promote San Diego and the games. The organizers have engaged Do Not Disturb Media to handle the domestic and international marketing of the event. Social media efforts will be targeted to Google, Facebook, Instagram ad boosters to accelerate content delivery as well as create an interactive web presence capable of showcasing San Diego to drive the purchase of extended stay packaging which promotes longer stays in San Diego and continually upgrade and edit the site to target interested demographics. There will be a build-up of “Journey to the Games” content by working with the 17 international sports federations and gaining the participation of athletes as well as the 206 National Olympic Committees (NOCs).

Funding Request $500,000
Funding Recommendation $500,000

Ranking:
• Directors’ Aggregate Ranking: #9 of 16

Return on Investment (ROI) - Projected:
• Total hotel room nights 35,275
• New hotel room nights of total 2,500
• Return @ $205.00 ADR (average daily rate) $7,231,375
• ROI 14.5:1
California Police Athletic Federation

The United States Police & Fire Championships is an Olympic style sporting event held throughout San Diego. Athletes representing law enforcement, firefighters, and officers from corrections, probation, border protection, immigration and customs travel to San Diego to compete in 50 different sports in 35 venues throughout the county. The Championships will be celebrating its 54th year of competition in 2020. A very active and dedicated group of Sports Coordinators and volunteers assist with the delivery of the sports throughout the San Diego Region. Top notch officials and nationally recognized venues like Torrey Pines and Aviara Golf Courses are used to solidify their event as a sought after and established competition. For FY2020, the Chula Vista Elite Athlete Training Center (formerly the Olympic Training Center) will be used as a sports venue for 13 different sports.

CPAF is returning to a Host Hotel model this year with hopes of further increasing hotel room nights and they have selected a hotel in Mission Valley as Headquarter Hotel.

They will also use TMD funding primarily to focus on direct marketing and promotion efforts to their Ambassadors and out of town Partner Agencies. Organizers will also use the funds to attend a select conference to attract athletes to the event.

Funding Request $75,000
Funding Recommendation $75,000

Ranking:
• Directors’ Aggregate Ranking: #7 of 16

Return on Investment (ROI) - Projected:
• Total hotel room nights 6,241
• New hotel room nights of total 3,000
• Return @ $189 ADR (average daily rate) $1,179,549
• ROI 15.7:1
California State Games – Summer

California State Games is an annual Olympic-style sports festival featuring some of the top youth athletes in the state. It is a grass roots program of the United States Olympic Committee. This year they have been given the opportunity to invite Nevada and Arizona athletes to the Games – opening up two substantial new markets. With this expansion, numbers should double from 10,000 athletes to 15,000 athletes between both Games in the next 3-5 years.

The 2019 California State Games will be held in San Diego July 11-14. The focus is to continue marketing the Games to Northern & Central California in addition to Arizona & Nevada with TMD funding. The event is now open to Nevada and Arizona athletes, their plan is to market the Games to these new states in addition to Northern & Central California with TMD funding. Their numbers could double in 3-5 years with ongoing TMD support.

In addition to the market expansion, the Summer Games is adding Robotics which will bring new participants. Organizers will also focus on sports with minimal attendance from outside San Diego. In 2019, efforts will be made to host regional contests in BMX and Skateboarding to encourage athletes from all over California, Arizona and Nevada to come to San Diego. Skateboarding is now an Olympic Sport and increased interest/attendance is expected. The Summer Games anticipates over 9,000 athletes competing in 24 sports at venues throughout San Diego. An estimated 13,500 hotel room night will be booked in all parts of the Assessment District including North County, Central & South Bay over the 4-day period. The primary summer hotels are North of the I-15 between Mira Mesa Boulevard and Rancho Bernardo, Mission Valley, and Otay Mesa. We have a mandatory booking policy for the team sports in the California State Games. Teams must stay at a SDTMD hotel to compete in the Games.

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**Ranking:**
- **Directors’ Aggregate Ranking:** #4 of 16

**Return on Investment (ROI) - Projected:**
- **Total hotel room nights:** 13,500
- **New hotel room nights of total:** 2,000
- **Return @ $170.00 ADR (average daily rate):** $2,295,000
- **ROI:** **18.4:1**
California State Games – Winter

California State Games is an annual Olympic-style sports festival featuring some of the top youth athletes in the state. It is a grass roots program of the United States Olympic Committee. This year they have been given the opportunity to invite Nevada and Arizona athletes to the Games – opening up two substantial new markets. With this expansion, they should see their numbers double from 10,000 athletes to 15,000 athletes between the Summer and Winter Games in the next 3-5 years.

The Winter Games have been successful for 16 years and continue to grow. The majority of the teams and athletes are new participants each year, which make marketing efforts critical. A unique feature of the Winter Games is that the competition venues are located throughout the TMD. As this is mainly a youth event, the Winter Games appeal to athletes, and their families.

Ice Hockey, our largest Winter sport, has welcomed teams from all over California, Arizona, Colorado, Texas, Utah, and even Canada in the past.

The 2020 California Winter Games will be held in February & March and consists of competition in Ice Hockey, Figure Skating and Gymnastics. Ice Hockey expects athletes from Canada, Colorado, Texas, Arizona, and Utah. Ice Hockey has a mandatory booking policy where they must stay at a host SDTMD hotel. Since 4 of the 5 rinks are located on the 15 North corridor, the majority of the host hotels are located in that area and Mission Valley. They anticipate over 2,000 athletes and over 4,000 room nights for the Winter Games.

Funding Request $50,000
Funding Recommendation $50,000

Ranking:
- Directors’ Aggregate Ranking: #5 of 16

Return on Investment (ROI) - Projected:
- Total hotel room nights 4,000
- New hotel room nights of total 1,000
- Return @ $161.00 ADR (average daily rate) $556,000
- ROI 12.9:1
ProAm Beach Soccer

Beach Soccer had been played recreationally all over the world for many years and in many different formats, but it wasn’t until 1992 that the laws of the game were envisioned and a pilot event staged by the founding partners of BSWW in Los Angeles. The following summer, the first professional beach soccer competition was organized at Miami Beach, with teams from the USA, Brazil, Argentina and Italy taking part in what would turn out to be an historic event. Pro-Am Beach Soccer (PABS) & US Beach Soccer National Championships (USBSNC) is a company headquartered in San Francisco, CA.

The goal for the National Championship is to host 17 age groups with a minimum of 4 teams per age group (68 total teams). From events that have already taken place in 2018, there are 40 teams who have qualified and expressed interest in participating in the 2019 National Championship. For the National Championship, it will be a strict stay to play event. If the tournament fills the required 4 teams in 17 different age groups, it is a minimum of 1,600 hotel room nights. The potential for a mature event would be 8 teams per age group and approximately 3,200 hotel room nights. The goal for year 2 of the event will be 2,400 hotel room nights. The event takes place entirely on the beach. For the inaugural championship, Pro Am Beach Soccer is requesting a total of 14 courts (30 x 40 yards) in one place. The SDTA Sports team is recommending South Mission Beach as the preferred location for this potential event. Aside from the event inherently having prestige as a National Championship, there will also be a payout to the winners of the event generating increased interest in participation across the community. The bid is to host the National Championship for 2019 & 2020. With a successful bid and event, San Diego would be well positioned to host an annual regional qualifier as the National Championship will rotate every 2 years.

Funding Request $30,000
Funding Recommendation $30,000

Ranking:
- Directors’ Aggregate Ranking: #11 of 16

Return on Investment (ROI) - Projected:
- Total hotel room nights 1,600
- New hotel room nights of total 1,600
- Return @ $159.00 ADR (average daily rate) $254,400
- ROI 8.5:1
San Diego Bay
Wine and Food Festival

The San Diego Bay Wine + Food Festival is one of the nation’s largest culinary events drawing 10,000+ attendees from across the country and an estimated 36% from outside of the City of San Diego. Featuring a week full of events, the Festival puts a national spotlight on the city’s growing culinary tourism industry, its chefs, farmers, fishermen and attractions that make the city so unique. In the past three years, the Festival has expanded to now include a three-day educational conference for wine professionals called SommCon, attracting another 1,000+ affluent, professional attendees to the market over the events date pattern.

Currently the SDBWFF hosts a week of events, culminating in a large Grand Tasting held on the Embarcadero Park North.

With 15 years of production, the San Diego Bay Wine + Food Festival is a signature event in the City of San Diego that draws thousands of attendees who stay and spend while in the City. With a strategic marketing plan that encompasses print, digital, out of home, radio, audience retargeting, social media, public relations, and influencer outreach that drives impressions and motivates consumers to act. The Festival currently targets attendees through a multi-phased year-round program that predominantly concentrates on the local market and surrounding feeder market. Their current strategy will be modified to place greater emphasis on out-of-town spending including but not limited to:

- Print Media
- Digital Marketing and Audience Retargeting
- Content Marketing
- Social Media
- Public Relations
- Influencer Outreach / Ambassadors

Funding Request $74,500
Funding Recommendation $74,500

Ranking:
- Directors’ Aggregate Ranking: #6 of 16

Return on Investment (ROI) - Projected:
- Total hotel room nights 2,640
- New hotel room nights of total 1,000
- Return @ $225.00 ADR (average daily rate) $594,000
- ROI 8.0:1
San Diego Bayfair
Thunderboats Unlimited

For one week in September, San Diego is the center of the largest pro-am boating racing festival and BBQ championship in the state of California. Founded in 1964, Bayfair’s mission then and today is to promote Mission Bay as a world-class tourism destination. The centerpiece of the festival since its inception is the H1 Unlimited hydroplanes, turbine-powered boats that run nearly 200 mph on the 2½-mile course. On the three islands (East Vacation Island, Crown Point, and Fiesta Island) Bayfair continues to offer a mix of programs to draw attendees. In 2018, Bayfair in partnership with America’s Finest BBQ Festival, launched a state-wide barbecue competition and craft beer event on Crown Point. Forty-five teams competed and the organizers plans to double or triple the number competitors in 2019. The barbecue festival received an official state sanctioning from the Kansas City Barbecue Society, which eliminates competing barbecue events on the same weekend with California.

Bayfair draws out-of-town guests primarily through the race teams and fans that travel to see the racing. The fan base is passionate about the sport and is willing to travel, especially when the destination is San Diego with intent to drive an extended vacation from Washington, Arizona, Indiana and Michigan. To draw out-of-town boat racing fans, they primarily focus on the greater Phoenix area, Riverside County, Los Angeles and Orange County. In 2018, their social media agency produced over 700,000 impressions (200,000 more than 2017) through promotions on Facebook, Instagram and Twitter. Bayfair’s title sponsor, HomeStreet Bank helped with digital campaigns via Twitter and Google ads to promote the boat races. Public Relations efforts and press releases will be targeting Sunset, Westways and Travel & Leisure in 2019.

Funding Request $95,000
Funding Recommendation $95,000

Ranking:
• Directors’ Aggregate Ranking: #2 of 16

Return on Investment (ROI) - Projected:
• Total hotel room nights 16,033
• New hotel room nights of total 750
• Return @ $209.00 ADR (average daily rate) $3,350,897
• ROI 35.3:1
San Diego Bowl Game Association
Holiday Bowl

The San Diego Bowl Game Association is a not-for-profit corporation that annually promotes and produces the SDCCU Holiday Bowl. The SDBGA has produced college football bowl games in San Diego since 1978. The organization was created and is uniquely qualified through an experienced staff, dedicated volunteers and outstanding conference partnerships to annually meet its mission statement of generating hotel room nights and economic impact at the most challenging off-peak and shoulders seasons of the year for the local tourism and hotel industry. With such low hotel occupancy historically in December, every room night that the Holiday Bowl generates is a room that would have been empty otherwise, providing incremental new nights to the San Diego region.

For the Holiday Bowl to maintain its current selection status and caliber of teams, meeting and exceeding the current payout numbers is critical. Therefore, 100% of the TMD funds requested will go directly to team payout. The tentative dates of the 2019 Holiday Bowl will be between December 27th and December 31st. Over the past five years, the Holiday Bowl game has generated an average of 23,437 room nights per year. In 2018, 22,289 room nights were produced. In addition to the influx of room nights from the fans of the participating teams, the Holiday Bowl is televised nationally on FOX Sports and annually the game attracts 5 to 6 million viewers. During the telecasts, along with various mentions of San Diego by the on-air talent, the network features San Diego “beauty shots” to the viewing audience, showcasing San Diego as a premier destination.

The Holiday Bowl works hand-in-hand with the participating schools to maximize their promotions and sales of game tickets, and provides a step-by-step ticket and destination marketing plan for each school to utilize in their home markets. The SDBGA also works directly with the San Diego Tourism Authority to promote San Diego as a travel destination.

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**Ranking:**
- Directors’ Aggregate Ranking: #3 of 16

**Return on Investment (ROI) - Projected:**
- Total hotel room nights: 15,000
- New hotel room nights of total: 0
- Return @ $159.00 ADR (average daily rate): $2,385,000
- ROI: 5.8:1
San Diego Brewer’s Guild

The San Diego Brewers Guild (“SDBG”) engages San Diego’s more than 130 independent craft breweries to work together in promoting our region as the nation’s #1 hot spot for craft beer and encouraging beer tourism from all over the world. Through the efforts of SDBG, San Diego has become internationally recognized for having some of the world’s finest craft breweries and has garnered the tagline as the “Capital of Craft.” For San Diego Beer Week 2018, we made adjustments to our marquee event to combat the fatigue our breweries and their fans were experiencing. The result was a new event called “Guild Fest” – a true celebration of craft beer regions from across the state of California and our border neighbors in Mexico. Our goal is to grow this event to invite guilds across the country to participate and have an event attendance comparable to that of GABF which saw 62,000 attendees in 2018. With these changes and a stronger partnership with the SDTA, we are confident that we can together as a community solidify San Diego as the “Capital of Craft” and garner international exposure of “Guild Fest” to bring beer lovers from all over the world to America’s Finest Craft Beer City.

Print and digital advertising, as well as execute an aggressive social media campaign (paid & organic) and public relations strategies will be the marketing focus. SDBG employed Paradeigm as the marketing agency to manage marketing strategy and social platforms. With the help of Paradeigm, we experienced the most social media engagement we’ve seen yet for San Diego Beer Week and San Diego craft beer, which garnered the following impressions: Facebook (1,348,893 Impressions), Instagram (1,070,669 Impressions) and overall impressions across all channels were just over 2.5 million with 36,030 engagements. With the aggressive, interactive social media strategy launched in 2018 to specifically promote San Diego Beer Week, we garnered 17,875 clicks directly to our ticket page (tickets.SDBEER.com) and another 9,428 clicks garnered through all paid social media advertisements. For 2018 San Diego Beer Week, we executed PR strategies targeting local and national media outlets, which garnered more than 70 press mentions, 750,000 reach and more than $151,700 publicity value.

Funding Request $31,000
Funding Recommendation $31,000

Ranking:
• Directors’ Aggregate Ranking: #13 of 16

Return on Investment (ROI) - Projected:
• Total hotel room nights 775
• New hotel room nights of total 300
• Return @ $229.00 ADR (average daily rate) $177,475
• ROI 5.7:1
San Diego Crew Classic

In its 47th year, the San Diego Crew Classic has grown to become one of the largest rowing events in the world. This is an internationally acclaimed rowing regatta featuring over 4,000 athletes in 120 races on the waters of Mission Bay. Over 130 local, national and international clubs participate each year – 80-85% of the athletes competing come from outside of San Diego. They draw tens of thousands of spectators each year. A significant number of these spectators are non-locals who come to San Diego specifically to attend the Crew Classic.

The 2020 San Diego Crew Classic takes place on April 3, 4, & 5. Travel to San Diego in early spring is very attractive to teams that have not been able to row on water since the previous fall. Agreements are in place with TMD Hotels provide courtesy room blocks for visitors to the region.

Marketing activities for the 2019 event include:
Website, Destination Marketing, Targeted Facebook Advertisement, SDCC Facebook page, Instagram, Twitter, Live Stream, YouTube, Promotional ads on Row2K, Regatta Central, USRowing, E-blasts to coaches, athletes and families, brochures, save the date cards, national press releases, direct mail, direct face to face meetings, and targeted ad campaigns.

A concerted marketing effort will be made to promote Thursday as the kick-off day of the regatta, essentially creating a four day event with a fourth night of hotel stays. In addition, the Freedom Rows (Wounded Warriors) event is being expanded, drawing from VA's throughout the country.

Funding Request $195,000
Funding Recommendation $195,000

Ranking:
• Directors’ Aggregate Ranking: #10 of 16

Return on Investment (ROI) - Projected:
• Total hotel room nights 8,024
• New hotel room nights of total 1,500
• Return @ $179.00 ADR (average daily rate) $1,436,296
• ROI 7.4:1
San Diego Surf Cup
Thanksgiving Challenge

The Thanksgiving tournament will be held November, 2019. This is a Class I Tournament open to USYSA, US Club Soccer, Super Y League, and FIFA affiliated teams. All games will be played throughout Northern San Diego County. San Diego Surf Challenge age groups (U8 to U13) will play in divisions of 16, 12 and 8 teams. Each team is guaranteed four (4) games. Bracket play will be played on Friday and Saturday, while Semi-Finals and Finals are on Sunday. San Diego Surf Challenge teams are allowed 18 players for U11 through U13 and 14 players for U8 through U10. Age groups U8 – U10 will play 7v7, U-11 & U12 will play 9v9, and U13 will play 11v11. Top quality trophies as well as individual awards will be presented to teams finishing in 1st and 2nd place for the U-8 to U-13 age groups. All topflight champions and finalists, as well as lower flight champions, will receive automatic acceptance to summer Surf Cup.

Funding Request $40,000
Funding Recommendation $40,000

Ranking:

- Directors’ Aggregate Ranking: (2019 ranking) #4 of 17

Return on Investment (ROI) - Projected:

- Total hotel room nights 7,700
- New hotel room nights of total 1,000
- Return @ $165.00 ADR (average daily rate) $1,270,500
- ROI 31.8:1
Ultimate was developed in 1968 by a group of students at Columbia High School in Maplewood, N.J. Although ultimate resembles many traditional sports in its athletic requirements, it is unlike most sports due to its focus on self-officiating, even at the highest levels of competition. This concept, called Spirit of the Game, is integrated into the basic philosophy of the sport, written into the rules, and practiced at all levels of the game from local leagues to the World Games. Combining the non-stop movement and athletic endurance of soccer with the aerial passing skills of football, a game of ultimate is played by two teams with a flying disc on a field with end zones, similar to football. Ultimate is played in more than 80 countries by an estimated 7 million of men and women, girls and boys. The international governing body, WFDF, represents 59 member associations in 56 countries. The National Championships bring together the best teams from across North America, 16 teams each in the men’s, mixed and women’s divisions, all competing for one of the most prestigious titles in the sport of ultimate.

The inherent nature of the event being a National Championship will automatically draw the best teams from across the country to San Diego (about 1,100 participants and 250 traveling staff & officials). The event will also be posted on the USA Ultimate website: http://tct.usaultimate.org/national-championships/ as well as social media properties (Facebook - 68,000 likes, Twitter - 30,700 followers, Instagram - 26,500 followers). The event will also be included in e-mail to USA Ultimate opt-in subscribers. Additionally, USA Ultimate attends trade shows throughout the year including National Association of Sport Commissions Event Symposium, Connect Sports, and TEAMS.

**Funding Request** $30,000  
**Funding Recommendation** $30,000

**Ranking:**  
- Directors’ Aggregate Ranking: Supplemental request n/a

**Return on Investment (ROI) - Projected:**  
- Total hotel room nights 3,000  
- New hotel room nights of total 1,500  
- Return @ $150.00 ADR (average daily rate) $450,000  
- ROI 15.0:1
Wonderfront

The Wonderfront Festival is an annual festival kicking off Nov 22-24, 2019 in San Diego, CA. The festival will be a music, arts, culinary and cultural festival showcasing all that is great about San Diego. The festival format will be along the lines of other successful downtown festivals such as Austin City Limits Festival in Austin, TX and Lollapalooza in Chicago, IL, and Outside Lands in San Francisco, CA. The unique difference, however, is that the Wonderfront Festival takes place all along the waterfront in downtown San Diego, including Embarcadero Marina Park South, Embarcadero Marina Park North, The Hilton / Fifth Ave Landing park spaces, Seaport Village, Broadway Port Pier, Lane Field, Ruocco Park, and in many of the theaters, clubs and hotel ballrooms throughout the city. Festival goers will also have the unique experience of moving between the venues on a water taxi system, as well as the utilization of yachts as activation spaces. The Wonderfront Festival will be successful because it will celebrate the greatness of San Diego with a world-class event that will attract visitors from near and far.

The festival’s marketing plan includes a strong paid media component as well as a very large promotional and cross-marketing component through media presenters and artist and music industry networks. The marketing plan includes utilizing the following marketing channels; Radio, Television, Print, Billboards, Digital, Social, Music streaming services, Email Plus the Festival will utilize industry media opportunities; online, newspapers, music streaming sites and apps, record labels And artist channels; artist emails, artist social pages, artist websites, artist publicity departments As well there will be large cross-promotional marketing done with our media partners, especially with radio, including iHeart and Univision media companies. As well as our sponsor brands will have marketing efforts tied into and surrounding the festival marketing plan. For example, the iHeart Media group will include paid media and promotions that are targeted to hit most of Southern California and Arizona across their radio and digital platforms.

Funding Request $500,000
Funding Recommendation $500,000

Ranking:
• Directors’ Aggregate Ranking: #8 of 16

Return on Investment (ROI) - Projected:
• Total hotel room nights 18,000
• New hotel room nights of total 18,000
• Return @ $21900 ADR (average daily rate) $3,942,000
• ROI 7.9:1
Administration

San Diego Tourism Marketing District Corporation

Personnel

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Overhead

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**Total SDTMD Operations**

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**Administration Fees to the City**

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**Total Administration**

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Opportunity & Catastrophe / Litigation Reserve Summary

Opportunity & Catastrophe Reserve:
7% of assessment revenue

7% Assessment revenue $ 2,872,824
Projected carryover – Modified District 3,544,395

Utilization of reserve for FY20 funding requests (4,422,032)

Total Opportunity/Catastrophe Reserve $ 1,995,187

Litigation Reserve:
Required Amounts – subject to any approved supplemental funding requests.

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<td>FY2018 Funding</td>
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<td>Reserve</td>
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* Funded $30,000,000 less $3,000,000 utilized during FY18, less $5,000,000 utilized during FY19, does not include supplemental FY20 request.

Administrative/Interest Income

Administrative:
3% of assessment revenue plus interest income

3% Assessment revenue $ 1,231,210
Projected FY19 projected carryover 731,944
Projected interest income 160,000

Total Administrative/Interest Income $ 2,123,154
# Attachments

1. San Diego Tourism Marketing District Corporation (4 pages) .................................................. Page 33
2. Management Plan Highlights (4 pages) .................................................................................... Page 38
3. Funding Cycle for FY2020 (2 pages) .......................................................................................... Page 43
4. Key Elements of the Application Guidelines and Requirements for FY2020 (4 pages) Page 46
5. Sample Application for FY2020 (10 pages) .............................................................................. Page 51
6. FY2020 SDTMD Corp. Directors Ranking of Applications Summary (1 page) ....................... Page 63
7. SDTMD Corp. Annual Report – FY2018 (32 pages) ................................................................. Page 65
8. FY2019 Interim Report of Activities Summary (3 pages) ....................................................... Page 114
SDTMD Corporation

Mission:
The San Diego Tourism Marketing District Corporation (SDTMD), formerly known as the San Diego Promotion Tourism Corporation, is a nonprofit mutual benefit corporation dedicated to improving lodging room night consumption in the City of San Diego.

Purpose:
The specific purpose of this private, non-profit corporation is to provide a private, nonprofit, funding vehicle to stimulate City of San Diego lodging room demand through tourism sales, marketing and advertising programs. The judicious allocation of these resources creates a positive economic, fiscal and employment impact on lodging businesses in the City of San Diego.

Board of Directors:
Richard Bartell, Chair Vikram Sood, Treasurer Ilsa Butler
C. Terry Brown, Vice Chair Tim Herrmann Alyssa Turowski
Matt Greene, Secretary Steve Cowan Vacant

Staff:
Colleen Anderson, Executive Director Email: canderson@SDTMD.org

San Diego Tourism Marketing District Corporation
750 B Street, Suite 1500 Tel: (619) 557-2854
San Diego, CA 92101 Web: www.SDTMD.org

Management & Oversight:
The implementation of the TMD Management Plan is the responsibility of the Board of Directors of the San Diego Tourism Marketing District Corporation (SDTMD), formerly the San Diego Tourism Promotion Corporation, a private non-profit entity composed exclusively of the assessed lodging businesses.

General Powers:
Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

Board of Directors:
Only business owners or business owner’s representatives paying the tourism marketing district assessment have the right to vote in annual elections of the association. And only business owners or business owner’s representatives paying the tourism marketing district assessment have the right to seek nomination or election to the board of directors of the association. The Board of Directors shall consist of nine (9) directors unless changed by amendment to the bylaws of the corporation.
Initial Directors:
The initial Board of Directors was appointed by the Incorporator of the Corporation, with individuals to serve for staggered terms of one, two or three years. At the first duly constituted meeting of the Board of Directors, the initial Board members drew lots to determine their individual term.

Board Nominations & Elections:
Elections to the Board of Directors are held annually. A call for self-nominations occurs annually and all self-nominees are listed on the ballot for Board elections. In addition to, or in the absence of, self-nominations, the Nominations Committee of the Board may put forth a slate of nominees at each election.

The procedure for nominations and elections, including the timing for nominations, and the protocol for the distribution and collection of ballots, is defined in the Bylaws of the Corporation. SDTMD retains a third-party contractor to administer, count and report the results of the balloting for Board elections.

Board Officers:
Officers of the Board of Directors are elected annually by a majority vote of the Board at the first regularly scheduled meeting of the Board, following the seating of new Board members.

Board Standards and Conduct:
The SDTMD is organized as a 501(c) 6, mutual benefit corporation, and has as its purpose the management of the resources of the San Diego Tourism Marketing District. The primary measure of the success of the Corporation is the benefit it delivers to the assessed businesses.

Board members, officers and members of the association are intended and understood to represent and further the economic interest of the City’s tourism industry. Board members or officers have a fundamental duty to advance the general welfare of the tourism industry in San Diego. Because the delivery of a measurable benefit to the assessed businesses is required by law, and is the primary legal purpose of the Corporation, it is recognized that members of the Board of Directors, through their assessed businesses, will receive benefit from the activities of the SDTMD.

In addition, State law provides, and the City’s enabling Procedural Ordinance recognizes, that SDTMD is a “private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.”

However, SDTMD shall comply with the Ralph M. Brown Act, California Government Code section 54950 et. seq, at all times when matters within the subject matter of the District are heard, discussed, or deliberated, and with the California Public Records Act, California Government Code section 6250 et. seq, for all documents relating to activities of the district.

Furthermore, the SDTMD Board of Directors shall comply with the California Corporations Code and shall develop internal policies defining standards, responsibilities and conduct for the Board of Directors.
Specifically, any member of the Board of the corporation, whether they are an owner, officer, or employee of an assessed business, shall disclose the material facts of their interest in a transaction, and shall recuse themselves from any discussion and decision on the transaction, when they have a material financial interest in the transaction.

A Volunteer Board of Directors:
The members and officers of the Board of Directors of the SDTMD serve as volunteers. They receive no monetary compensation or remuneration for their service individually or collectively. They are not entitled to nor may they make a claim for reimbursement of any personal or professional expenses attributed to their service. Other than Directors and Officers Liability Insurance no benefits such as, but not limited to, health insurance, workman’s compensation insurance, disability insurance, or paid vacation, is provided.

Marketing Support Programs Application Guidelines & Criteria:
The Board of Directors annually allocates a portion of the annual revenue from the District to marketing support programs and services that can deliver a measurable return on investment.

The SDTMD will solicit and/or receive applications for funding from numerous, diverse organizations, and entities. The guidelines, criteria and application will be created/updated annually at the sole discretion of the Board of Directors.

Limiting Contact Between Applicants and the Board of Directors:
It is vital that the application and allocation process for funding from the SDTMD be open, fair and efficient. To this end, the written submission of the application and supporting materials as well as any public presentation that may be required from applicants will be the foundation for Board discussion and deliberations. Board members are encouraged to limit their contact and communication with applicants regarding their applications or proposed application, and to disclose any such contact or communication prior to participating in the consideration of that applicant’s submission.

Current Board Member Information:

Richard Bartell, Chair
President, Bartell Hotels
Bartell Hotels represent over 1,575 TMD rooms in the Harbor, Mission Valley, Mission Bay and La Jolla (SD North) regions of the City of San Diego. Mr. Bartell’s initial three-year term expired on June 30, 2011, and he was re-elected for a second three-year term beginning on July 1, 2011. In 2014, Mr. Bartell was re-elected for another three-year term beginning on July 1, 2014 and was re-elected again beginning his current term on July 1, 2017.

C. Terry Brown, Vice Chair
President, Atlas Hotels
Atlas Hotels represent over 950 TMD rooms in the Mission Valley region of the City of San Diego. Mr. Brown’s initial two-year term expired June 30, 2010, and he was re-elected for a term of three years beginning on July 1, 2010. In 2013, Mr. Brown was re-elected for a three-year term beginning on July 1, 2013, again on July 1, 2016 and is seeking re-election in FY 2020.
Matt Greene, Secretary  
**Senior Vice-President Operations, Lifestyle Hotels, Evolution Hospitality**  
Mr. Greene represents the Hard Rock Hotel San Diego located in the vibrant Gaslamp Quarter and consisting of 420 TMD rooms. Mr. Greene was elected for a three-year term beginning on July 1, 2014 and was re-elected to a second term that began on July 1, 2017.

Vikram Sood, Treasurer  
**Senior Vice-President of Operations, RAR Hospitality**  
RAR Hospitality represents over 300 TMD hotel rooms in Downtown, Sorrento Valley and Del Mar regions of the City of San Diego. Mr. Sood was appointed to the board on December 8, 2017 and was elected for a three-year term beginning on July 1, 2018.

Tim Herrman  
**General Manager, Marriott Marquis**  
Mr. Herrman represents the Marriott Marquis Hotel representing 1360 TMD rooms in the Downtown and Harbor regions of the City of San Diego. Mr. Herrman replaced Chris Ostopovich and will serve the remainder of Mr. Tuni Kyi’s term, which expires on June 30, 2019. Mr. Herrman is seeking re-election in FY 2020.

Steve Cowan  
**General Manager, Hilton**  
Mr. Cowan represents the Hilton Bayfront Hotel representing 1190 TMD rooms in the Downtown and Harbor regions of the City of San Diego. Mr. Cowan replaced Mr. Matt Adams and will serve the remainder of his term, which expires on June 30, 2019. Mr. Cowan is seeking re-election in FY 2020.

Ilsa Butler,  
**Senior Vice President, Sales & Marketing Evans Hotels**  
Ms. Butler represents Evans Hotels representing 793 TMD rooms in the Mission Bay and La Jolla regions of the City of San Diego. Ms. Butler was elected for a three-year term beginning on July 1, 2018.

Alyssa Turowski,  
**General Manager, Westin San Diego**  
Mrs. Turowski represents the Westin San Diego Hotel representing 436 TMD rooms in the Downtown region of the City of San Diego. Ms. Turowski replaced Ms. Colleen Anderson and will serve the remainder of her term, which expires on June 30, 2020.

Vacant  
One vacancy exists and the Board is seeking a replacement. The term of the open seat expires at the conclusion of FY 2020.
Attachment 2

Management Plan Highlights

4 Pages
Management Plan Highlights

Background:

On May 8, 2007, at the request of a working group comprised of lodging industry representatives, the San Diego City Council adopted an enabling Procedural Ordinance (SDMC Section 61.2501 et seq.) that provided a process for establishing a Tourism Marketing District. Subsequently, on August 1, 2011, the City Council adopted amendments to the Procedural Ordinance specifying, among other things, a process by which such a district may be renewed. These amendments also permit a renewal term up to forty (40) years.

The original five-year San Diego Tourism Marketing District [District] was approved by the City in December 2007 and began January 1, 2008. The District was managed by representatives of the lodging business through the non-profit San Diego Tourism Marketing District (SDTMD) Corporation. Given the success of the original District, lodging industry representatives worked to renew the District and developed new guidelines for operation and administration of the renewed District which became the Tourism Marketing District Management Plan [Management Plan] approved by Council September 2012. The renewed District began on January 1, 2013.

In 2016, lodging industry representatives sought to update the District and Management Plan to address operating conditions under the renewed District. On August 2, 2016 the City Council approved the modification of the District and Management Plan to exclude lodging businesses with fewer than 70 rooms from paying and participating in the TMD effective September 1, 2016.

Assessments:
All assessment rates are based on the privileges directly conferred and specific benefit directly received by assessed businesses from the activities provided within each category and is levied on “Assessable Rent” which is based on gross room rental revenue less exempt revenues, of those benefitting businesses.

Annual assessment rates (applied to Assessable Rent of qualifying lodging businesses) are two percent (2%).

Assessments are remitted on a monthly basis to the City Treasurer by each business using a self-reporting form that provides for identifying the activity period(s) and the Assessable Rent and District assessment for the respective accounting periods.

Pursuant to the Plan, Assessable Rent does not include revenue from stays where:
• the transient has exercised occupancy or was entitled to occupancy for one month or more; or
• the total space rental charge is twenty-five dollars ($25.00) a day or less, or the accommodations rented are in a dormitory and the total space rental charge for each transient is twenty-five dollars ($25.00) a day or less; or
• the transient is by treaty, or federal law, or state law exempt from payment of transient occupancy taxes; or
• rent is directly paid by the United States Government or the State of California or their respective instrumentalities.

Assessments levied for the purpose of providing activities that benefit businesses are not taxes for the general benefit of a city, but are assessments for the activities which confer benefits upon the assessed businesses for which the activities are provided and do not confer benefits upon those not paying the assessment.

**Uses of Assessments:**
Assessment funds will be spent to provide a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the City of conferring the benefit or granting the privilege. The activities also constitute specific government services provided directly to the payor that is not provided to those not charged, and which do not exceed the reasonable cost to the City of providing the services.

The privileges and services provided with District funds are sales, marketing, advertising and promotional programs available only to assessed businesses. District activities will be designed for the sole purpose of generating incremental room night sales at assessed businesses. Such room night sales are of great value to assessed business and constitute a specific benefit for which the assessment is charged. Non-assessed businesses will not have access to the privileges and services provided by the assessment.

In order to ensure provision of a specific government service and benefit to payors, which does not exceed the reasonable cost of providing the service, there are certain activities or improvements which may not be funded by the District. These include:

- The acquisition, construction, installation or maintenance of any tangible property, including parking facilities, parks, planting areas, fountains, benches, booths, kiosks, display cases, pedestrian shelters, signs, trash receptacles, public restrooms, ramps, sidewalks, plazas, pedestrian malls, lighting and heating facilities.
- The closing, opening, widening or narrowing of existing or new streets.
- Facilities or equipment, or both, to enhance security and safety of persons and property within the area, unless included in a specific proposal to benefit the assessed businesses.
- Regular public safety and security personnel and programs, maintenance and repair, sanitation, nor other municipal services normally and historically provided by the City.
- Political candidate or ballot initiative activity.
- Expenditures not consistent with the terms of the District Management Plan.

**SDTMD Budget Guidelines:**
An annual budget will be developed and approved by the Board of Directors of the San Diego Tourism Marketing District Corporation (SDTMD), formerly the San Diego Tourism Promotion Corporation, and included in the prospective Fiscal Year Report of Activities submitted to the City Council each year.
Assessments are proposed to be used for the Activities as generally outlined below. It is anticipated that ninety percent (90%) of assessment revenue will be designated annually for Marketing and Sales activities which will be tailored within the specific categories as listed below and as further described in the modified Management Plan to benefit the assessed businesses. Funding will be allocated on the basis of competitive applications or responses to specific requests for proposals. Ten percent (10%) of assessment revenue will be designated in total annually for Administration (including actual City costs to administer the District) and for a Reserve for opportunities, catastrophes, contingencies, and renewal of the District.

The kinds of activities anticipated that fall within the 90% are grouped within two areas:

Targeted Marketing and Sales Programs (53.9%)
- Hotel meeting sales
- Event management & group sales development
- Consumer direct sales & marketing
- Sub-regional targeting
- Competitive targeting

Destination Marketing (36.2%)
- Tourism development, including travel & trade
- Group meeting destination marketing
- Multi-year tourism development
- Destination marketing

Although actual revenues of the Corporation will fluctuate, the proportional allocations as listed in the table above shall generally remain the same; however, during the budgeting process each year, the Corporation’s Board of Directors may adjust program allocations as needed to address: economic conditions; tourism trends; and changes in non-assessment funding provided to those programs. The resulting proposed annual budget submitted to City Council for consideration as part of the Annual Report of Activities will then ensure that assessment funds are to be spent on a specific benefit provided directly to assessed businesses which is not provided to those not charged. In no event will the budget for City administration costs fall below the amount necessary to recover City administration costs.

Sales and Marketing programs and services will be broadly defined by the Board of the SDTMD in order to remain current with changing consumer demands, tourism products, and technologies. Because both marketing and sales programs are necessities for successfully increasing room night sales, the Corporation will contract for marketing and sales programs and services to promote assessed lodging businesses in the District and to fund projects, programs, and activities that specifically benefit and provide unique privileges to assessed lodging businesses within the District.

The marketing and sales programs and services funded by the District are meant to deliver incremental room night sales directly to District-assessed lodging businesses. It is understood that each individual lodging business implements and privately funds a unique, proprietary marketing and sales program that is responsible for the generation of the vast majority of room
nights at each business. District programs and services are supplemental to, and provide incremental room nights in addition to, those proprietary programs.

To allocate funding to marketing and sales programs, the Corporation’s Board of Directors must find that each will be likely to generate incremental room night sales at assessed businesses. The purpose of any funded activity must be to generate such sales. The Corporation’s Board of Directors will establish and regularly update a clearly defined application process for proposed marketing and sales programs. This application will articulate the required qualifications of applicants, the target ROI, and the measurement of results, among other criteria as means to ensure direct benefit to payors.

To guide District contractors and ensure direct specific benefits to assessees, below is a partial list of required Best Practices for implementation of District-funded programs and services. This list may be modified from time to time provided that the goal of direct and exclusive benefit to assessees is attained.

• It is required that all recipients of District funds certify that those funds will be spent to provide exclusive privileges and/or specific benefits only to District assessed businesses and not to any other, non-assessed businesses. To the extent that other, non-District, lodging businesses may receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid for with non-District funds.

• It is required that all recipients of District funds demonstrate availability of other additional non-District sources of revenue, such as but not limited to, membership dues, marketing fees, earned income, and/or participation fees, which they will contribute to the promotion or program to pay for any incidental benefit to non-District lodging businesses.

• It is required that all advertising materials and media include a call-to-action that directs consumers exclusively to District lodging businesses.

• It is required that all recipients of District funds conduct an analysis of room night generation for District lodging businesses and non-District lodging businesses in addition to a ROI analysis. The cost of efforts which generate room nights for non-District lodging businesses must be paid with non-District funds.

More information on key elements of the FY 2020 Application may be found in Attachment 4.

The Corporation shall cause to be prepared annually a report for the coming fiscal year. The Corporation shall cause to be prepared a retrospective and prospective District Milestone Report every five (5) fiscal years for which assessments are levied. This District Milestone Report will include the required annual Report of Activities for the prospective fiscal year.

The first District Milestone Report of the renewed District will include the reporting of results for the initial period of operation, from January 1, 2013 through the date of preparation of the report. The final Milestone Report of the renewed district will include reporting of results from July 1, 2048 through June 30, 2052. Reports for the intervening period will include reporting of results for the prior five (5) years. Reports will be submitted to the City on agreed upon dates pursuant to the operating Agreement.
Funding Cycle for FY 2020

October/November 2018:
- FY 2020 Applications were available on October 9, 2018 via www.sdtmd.org/applications
- Two Applicant Workshops were offered:
  - October 9 (10am-12pm) and October 18 (1pm-3pm). Both workshops were held at the SDTMD Offices in the Coronado Conference Room, 750 B Street, Suite 1500, San Diego, CA 92101.
  - Workshops provided an overview of the application process, insight on criteria used to evaluate events for funding and an introduction to the new online submission system

December 2018:
- Preliminary staff review of received applications
- 3rd party contractor generated initial analysis and report

January 2019:
- Committee comprised of TMD Board Members, SDTA Executives, 3rd party contractor and SDTMD Executive Director met to evaluate the applications and 3rd party analysis.
- General Applicant oral presentations to Board of Directors

February 2019:
- DMO presentations to Board of Directors

February - March 2019:
- Formal public board review of qualified applications
- Funding recommendations of programs by board
- FY20 revised budgets from approved organizations due on March 16, 2019 (if applicable, based on Board funding recommendation differing from original $ request)

April 2019:
- Notification of funding intention to the City of San Diego

May 2019:
- SDTMD submits FY 2020 Budget with ROI projections and Scope of Work assumptions to San Diego City Council for consideration and request for approval

June 2019:
- FY20 Contracts Issued

July 1, 2019:
- FY 2020 Begins
November 30, 2019:
- Q1 Progress Recap due. Quarterly reports are required to be submitted 60 days following the end of each quarter. Activities, changes, accomplishments, challenges, etc. are detailed, in addition to event outcomes in the applicable quarter.

February 28, 2020:
- Q2 Progress Recap due.

May 31, 2020:
- Q3 Progress Recap due.

August 31, 2020:
- Q4 & Annual Progress Recap due.

*Dates are approximate and may change without notice.*
Attachment 4

Key Elements of the Application Guidelines and Requirements for FY2020

4 Pages
Key Elements of the Application Guidelines and Requirements for FY2020

General Application Guidelines:
The SDTMD Corporation is not a sales or marketing entity, but rather a funding conduit to contractors* for development and implementation of effective sales and marketing programs and services that are intended to motivate the rental of hotel rooms in hotels with seventy (70) or more rooms. The SDTMD is responsible for allocation and distribution of available funds and contracts with qualified third-party contractors to supply specific sales and marketing programs and services as approved by the Board of Directors.

Each applicant is required to submit an "Application Request for TMD Funding" for specific sales and marketing programs that will provide unique privileges and specifically benefit assessed hotels within the District. Each application requires information about the applying organization or entity, as well as a budget proposal and narrative specifying how the proposed funds will be spent, and the expected result(s) in City of San Diego lodging room night revenue.

To allocate funding to marketing and sales programs, the SDTMD Board of Directors must find that each will be likely to generate incremental room night sales at assessed businesses. The purpose of any funded activity must be to generate such sales.

Marketing and Sales Programs: Stipulated Requirements
To guide District** contractors and ensure direct benefit to assessees***, below is a partial list of requirements to receive district funding:

- It is required that all recipients of District funds certify that those funds will be spent to provide exclusive privileges and/or specific benefits only to District assessed hotels and not directly to any other, non-assessed businesses. To the extent that other, non-District, lodging businesses may receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-District funds.
- It is required that all recipients of District funds demonstrate availability of other additional non-District sources of revenue, which they will contribute to the promotion or program to pay for any incidental benefit to non-District hotels with seventy (70) rooms or more.
- It is required that all advertising materials and media include a call-to-action that directs consumers exclusively to District lodging businesses.

*A contractor is an entity that applies for and is granted funding from the SDTMD.
**Within the boundaries of the City of San Diego.
***Lodging businesses with seventy (70) or more rooms located in the City of San Diego.
**Funding Awards**
Fundamental to the funding of any application will be the clearly articulated projected incremental room demand caused by the proposed event. The specific benefit must be projected in the incremental delivery of hotel room night sales to assessed hotels. Incremental is defined as paid room nights in excess of what would be consumed without the proposed event. Successful applications will clearly describe the strategy and tactics for delivering incremental room night sales, as well as the estimated resulting number of room night sales and resulting gross room revenue.

**Decision Criteria**
When considering applications, priority will be given to:
- Overall ROI.
- Events that occur during the low-travel season (aka ‘off-peak’) time of year. The SDTMD Executive Director can help you identify ‘off-peak’ dates.
- The opportunity to incubate NEW demand generating events and activities from concept to actualization.
- Incremental* hotel room consumption.
- Applicants who can quantify past successes.
- Special-need geographic locations within the District, i.e. generally, outside of the downtown core has greater value. The Board of Directors values geographic diversity as a means of balancing demand throughout the City of San Diego.
- Past contractor compliance history.
- Premier events that elicit prestige and enhance the reputation of San Diego as a “world-class, must-see” destination.
- Events that align with San Diego’s Brand pillars: sports, outdoors, culinary, arts and entertainment.
- Events that generate national/international media coverage:
  - Media Coverage of the event**
    - Network TV
    - Radio Broadcast
    - Cable Network
    - Live Streaming
  - Media promoting the event***
    (which media outlets will promote viewership of the event?):
    - Network TV
    - Cable Network
    - Radio Broadcast
    - Print
    - Digital Channels
    - Social Platforms and Handles

* Incremental hotel room consumption is the number of hotel room nights projected to be occupied beyond prior year average occupancy levels. 95% is considered to be the ceiling occupancy level. For example, if the event is over a Peak period that means the maximum potential incremental hotel room consumption is 5 points of occupancy.

** Provide media markets, air dates, air times, projected ratings, impressions/circulation and audience demographics.

*** Provide media schedule including media markets, dates, times, impressions/circulation and audience demographics.
Determining ROI
All successful applicants for funding must clearly demonstrate a measurable ROI based on room revenue for the program they propose. ROI projections in the application will be assessed by an independent 3rd party to ensure reasonableness. All ROI results will be calculated following the event or program by a third party entity funded by the SDTMD.

FUNDING ELIGIBILITY

Track Record: An applicant must have demonstrable history of successful, ongoing programming or business performance prior to submitting an application. However, the Board also embraces new events and will consider a thoughtful business plan and credible articulation of the future potential of a new event. This is the incubator genre of applicant previously described.

Location: Regardless of where an applicant is headquartered or physically located, or where a particular marketing program is implemented, 100% of the funding received from the SDTMD must be in support of programs that provide privileges directly to the assessed hotels within the City of San Diego.

Compliance: Former contractors of the City of San Diego and/or SDTMD must have submitted acceptable deliverables on any completed contract and be in good standing with the City of San Diego and/or SDTMD.

ADA: Contractors will comply with the federally mandated Americans with Disability Act. Contractors and subcontractors will be individually responsible for their own ADA compliance.

EEO: Contractors will comply with Title VII of the Civil Rights Acts of 1964, as amended; the California Fair Employment Practices Act; and any applicable federal and state laws and regulations herein enacted, as well as the City’s Non-discrimination in Contracting Ordinance.

Drug-Free Work Place: Contractors must provide a drug-free workplace.

FUNDING LIMITATIONS

- SDTMD assessment funds cannot be used for alcoholic beverages.
- The acquisition, construction, installation or maintenance of any tangible public property, including parking facilities, parks, planting areas, fountains, benches, booths, kiosks, display cases, pedestrian shelters, signs, trash receptacles, public restrooms, ramps, sidewalks, plazas, pedestrian malls, lighting and heating of public facilities cannot be funded.
- The closing, opening, widening or narrowing of existing or new streets cannot be funded.
- Facilities or equipment, or both, to enhance security and safety of persons and property within the District, unless included in a specific proposal to benefit the assessed businesses cannot be funded.
• Regular public safety and security personnel and programs, maintenance and repair, sanitation, nor other municipal services normally and historically provided by the City cannot be funded.
• Expenditures inconsistent with the terms of the DMP cannot be funded.
• Political candidate or ballot initiative activity cannot be funded.

ADDITIONAL REQUIREMENTS

**Insurance:** All SDTMD contractors shall comply with the City’s insurance requirements for the term of the Agreement.

a) **Commercial General Liability (CGL)** Insurance which shall cover liability arising from any and all personal injury or property damage in the amount of $2 million per occurrence and subject to an annual aggregate of $4 million. There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

b) **Automobile Liability Insurance,** providing coverage for all bodily injury and property damage, with a limit of at least $1 million per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) on the Premises; and

c) **Worker’s Compensation Insurance,** as required by the laws of the State of California for all Contractors’ employees who provide services under the SDTMD funding grant with a limit of at least $1 million.

**Certificate of Good Standing:** Applicants must be in good standing with the Secretary of State and Franchise Tax Board. All required filings must be current and the status of the business/corporation must be active. “Active” status means that your corporation has not been dissolved, suspended, surrendered or forfeited. For more information concerning Certificates of Good Standing, contact (619) 525-4113 or online at: [www.ss.ca.gov/business](http://www.ss.ca.gov/business)
Application Types:

1) GENERAL APPLICANTS: Most applicants will file this application. The SDTMD Fiscal Year 2020 is the same as the City of San Diego: July 1, 2019 through June 30, 2020. All organizations applying for funding for this period must have their application completed and submitted electronically by 5:00 p.m. on Friday, November 16, 2018. Applications received after the deadline will not be accepted for annual funding requests.

2) DESTINATION MANAGEMENT ORGANIZATION (DMO) FUNDING APPLICATION: The SDTMD Fiscal Year 2020 is the same as the City of San Diego: July 1, 2019 through June 30, 2020. All DMO organizations applying for "annualized" funding must have their application completed and submitted electronically by 5:00 p.m. on Friday, January 25, 2019. Applications received after the deadline will not be accepted for annual funding requests.

3) SUPPLEMENTAL FUNDING APPLICATION: After all Annual Funding Programs have been reviewed and allocated by the SDTMD Board and if SDTMD funds are available, organizations may apply for supplemental funding such as a single event or a specialized sales/marketing program. All supplemental proposals are required to follow the SDTMD application format and submit to the SDTMD at least one month in advance of the next regularly scheduled Board of Directors Meeting, unless directed otherwise by the SDTMD Board or staff. It is required that a preliminary discussion with the Executive Director is scheduled prior to the submittal of any Supplemental application.

Click here to view application guidelines.

IMPORTANT DOCUMENTS FOR SUBMISSION:

Please download the following templates, then populate, then upload with your application in the appropriate section.

Exhibit B Budget Template, Budget Template Instructions and Glossary (for your reference)

Exhibit D Personnel Schedule

Organization Info

Organization Name: *

Mailing Address: *

Telephone:

Website:

Primary Contact Information

Name: *

Title: *

Telephone:
EXHIBIT A: Overview

Tell us about your event. Please address these categories: What is it? Where is it? When is it? Who participates? Why do people participate? How does the event actually work? (Flow, logistics, management, etc.)

Tell us about your event and why it will be successful

Word Count: 0 / 750

Does this event have a verifiable history? Please address past event locations, times of year, attendance, room nights, etc. (The more information the better here.)

Word Count: 0 / 750

Does this event have comparable events that our analysts and board can consider when assessing the likelihood of the proposed event achieving your forecast? What are those events and their event locations, times of year, attendance, room nights, etc.?

Word Count: 0 / 750

Please summarize your event’s marketing plan. Also, please address these questions: What is your intended use of TMD funds? What part of your marketing plan/spend is targeted at out of town visitation? How will you drive visitation to TMD member hotels?

Tell us about your marketing plan, specifically explaining how you draw out of town visitors to SD for overnight stays in TMD hotels

Word Count: 0 / 750

*Remember, success is defined one way: generates the consumption of incremental** paid guestrooms in hotels larger than seventy (70) rooms in the City of San Diego.

**Incremental: relating to or denoting an increase or addition that the guestroom would go empty otherwise.

1) Is your organization a non-profit organization? *
2) Mandatory Disclosure of Business Interests: Disclose this information following these guidelines:
Pursuant to section 225 of The City Charter of the City of San Diego, California (“Charter”), all
contractors and subcontractors shall make a full and complete disclosure of the name and identity of
any and all persons directly or indirectly involved in any transaction funded by, or proposed to be
funded by, the SDTMD and the precise nature of all interests of all persons therein. Contractor’s
failure to fully disclose all of the information required by Charter section 225, or Contractor’s failure
to require each of its subcontractors to fully disclose such information, shall be a default of the
Agreement.

Closing Date of Applicant’s Most Recently Completed Fiscal Year: *

EXHIBIT B: Detailed Budget
Please scroll up to the top of the page under important documents to download the Budget template.
Upon filling out the budget template please re-upload it here:
Detailed Budget (Excel format)
Select a file

EXHIBIT B1: TMD Budget
Please use the budget template completed in Exhibit B and input TMD funded portion budget data:
TMD Budget and Line Item Narrative
Total Program Budget (including TMD Request)

Total TMD Funded Portion (SDTMD Funds Requested)

Total Organizational Budget (If Part 2 Completed)

Revenue (TMD Funded Portion)

Direct Expenses

Advertising

Line Item Narrative
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Advertising Agency Fees</td>
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<td>Bid Fees/Team Payouts</td>
<td></td>
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<tr>
<td>Dues/Subscriptions (direct only)</td>
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<tr>
<td>Entertainment</td>
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<tr>
<td>Event Registration Fees</td>
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<tr>
<td>Description</td>
<td>Amount</td>
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<td>-----------------------------------------</td>
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<tr>
<td>Lead Generation Fees</td>
<td></td>
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<tr>
<td>Line Item Narrative</td>
<td></td>
</tr>
<tr>
<td>Marketing Materials/Promotional Items</td>
<td></td>
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<tr>
<td>Line Item Narrative</td>
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<tr>
<td>Meals</td>
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<tr>
<td>Line Item Narrative</td>
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<tr>
<td>Outside Contractors</td>
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<td>Line Item Narrative</td>
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<tr>
<td>Personnel Benefits (non-exec/non-admin)</td>
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</table>
Personnel Salaries and Wages (non-exec/non-admin)

Rentals - remote office

Research

Sales Commission

Special Event Production
<table>
<thead>
<tr>
<th>Sponsorship</th>
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<td>Travel</td>
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<thead>
<tr>
<th>Total Direct Expenses</th>
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<tbody>
<tr>
<td>Total Indirect Expenses (If Part 2 Completed)</td>
<td>$</td>
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<tr>
<td>Total Expenses</td>
<td></td>
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</tbody>
</table>
EXHIBIT C: Return On Investment (ROI) Forecast

All ROI results for awarded SDTMD funds will be subject to a third-party audit conducted during the event or promotion.

Calculation

A: SDTMD Funds Requested: (From Exhibit B)

Non-TMD Funded Portion: (From Exhibit B)

Date Of Event Or Promotion:

Date Of Event Or Promotion:

Date Of Event Or Promotion:

Number Of Years The Event/Program Has Been In Operation:

B: Projected Average Daily Rate (ADR) For Event Or Promo Dates*

*Please Contact TMD Executive Director For Your Event’s ADR Assignment. If you have known contracted room rates for your event, you may use those.

C: Historic Number of Room Nights Generated by Program/Event/Promotion

D: Total Estimated Historic SDTMD Room Revenue @ above ADR ( BxC = D )

E: Projected Number Of New SDTMD Room Nights Generated Due To Proposed Use Of SDTMD Funds (From Exhibit A).

F: Total Estimated New SDTMD Room Night Revenue Generated @ Above ADR ( BxE = F )

Return On Investment in New SDTMD Room Revenue: Total New SDTMD Room Revenue Generated: SDTMD Funds Requested. ( F/A :1 )

G: Total Estimated SDTMD Room Nights (combined) ( C+E =G )

H: Total Estimated SDTMD Room Revenue (Combined) (BxG = H)
EXHIBIT D: Personnel Schedule

The purpose of this form is to list the positions being requested for Tourism Marketing District Funds for the Fiscal Year. An updated copy of this form must be maintained at all times and any adjustments must be reported to the SDTMD. Prior approval is required where changes will impact approved budgets for executed SDTMD agreements. Please round amounts to whole dollars.

EXHIBIT E: Audit Compliance Acknowledgement

Contractors receiving $75,000 or more in SDTMD funds shall have Financial Statement Audits prepared in accordance with GAAP and audited by an independent Certified Public Accountant, in accordance with Generally Accepted Auditing Standards [GAAS]. This audit report shall include the following statements:

a) A statement of expenditure of SDTMD funds by program, to be identified in the same expenditure classifications as contained in the final budget and compared with the budgeted amounts;

b) A statement of revenues and expenditures, and a balance sheet of all funds received by Corporation; and

c) A statement certifying compliance with all terms and conditions of the SDTMD’s contract with Contractor, and that all required reports and disclosures have been submitted and completed by an executive officer of Corporation.

Contractor shall provide the SDTMD a copy of the Financial Statement Audit within 150 calendar days of the end of Contractor’s last complete fiscal year.

I have read and understand the Audit Compliance Acknowledgement:

EXHIBIT F: Accounting Compliance Acknowledgement

- Monthly submission of reconciliation reports and/or reimbursement packets is required.
- SDTMD has 30 business days from receipt of a complete and correct packet to review and reimburse.
- Expenses incurred older than 60 days prior to the submission will not be eligible for reimbursement without prior approval and extenuating circumstance.
- Reimbursement checks will be mailed to the Contractor.
- Copies of “Requests for reimbursement” shall be retained by contractor for no less than five years.
- Contractors are to remit reimbursement packets and budgets using SDTMD’s templates and chart of accounts.
- Additional written explanation is required on any submitted item in which the invoice is not self explanatory.
- Any calculation shown on an invoice, reducing the amount requested, needs to include an explanation of methodology or rationale for determining costs.
- Unclear, unexplained, or unsubstantiated reimbursement report items will be removed from the submission packet. In some cases, these items will be allowed to be resubmitted with explanation if it falls within the time limitations established in the contract.
- Illegible receipts will not be considered for reimbursement.
- Do not use staples or special binding for your submission packet. A large paperclip or binder clip will suffice.
- Submit your packet single sided only. Double sided packets will be returned.
- Include all pages of a multipage invoice and bank statements. (Online bank activity will also be accepted.) Please reference each item.
- Verify totals and watch out for rounding errors.
- Contractors must pay for each expense (and clear the bank) before requesting reimbursement. Contact vendors with outstanding checks if checks have not cleared. It is your responsibility to keep track of this.
- No double dipping, if reimbursed by another entity, the expense becomes ineligible.
- Only out of market advertising is eligible for reimbursement.
- Travel: TMD assessment funds can only reimburse toward the equivalent of coach airfare when use of public air carrier transport is required in order to perform the Contractor’s obligations under this agreement. GSA rates for meals & incidentals are at 100% of the rate per night stayed at hotel. Please include a copy of the pertinent GSA rates for each area being visited as backup, as well as the hotel folio. Please include a copy of the pertinent GSA rates for each area being visited as backup. Conferences require proof of registration and receipt. Sales missions require itinerary, location, clients visited, agenda and calendar. Mileage reimbursement requests require a mileage log and purpose of trip.

I have read and understand the Accounting Compliance Acknowledgement:

☐ Confirm
## SDTMD Contract Budget

### Exhibit B

#### Organization Name

Total TMD Contract Funds

<table>
<thead>
<tr>
<th>Targeted Marketing and Sales Programs</th>
<th>Destination Marketing</th>
<th>Total - TMD Contract Amount</th>
<th>Non-assessment funded portion</th>
<th>Total Event Budget</th>
<th>Non-TMD</th>
<th>Total Organizational Budget</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<td><strong>Direct Expenses</strong></td>
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<tr>
<td>Advertising</td>
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<td>Advertising Agency Fees</td>
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<td>Bid Fees / Tearoom payouts</td>
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<tr>
<td>Entertainment</td>
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<td>Event Registration Fees</td>
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<td>Lead Generation Services</td>
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<td>Marketing Materials &amp; Brochures</td>
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<td>Outside Contractors</td>
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<td>Sponsorships</td>
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<td>Trade Show Expenses</td>
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<td><strong>Total Direct Expenses</strong></td>
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</tr>
</tbody>
</table>

**Indirect Cost Allocation (from worksheet)**

**Total Expenses**

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<tr>
<th>Targeted Marketing and Sales programs includes</th>
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<tbody>
<tr>
<td>- Total meeting sales</td>
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<tr>
<td>- Event management &amp; group sales development</td>
</tr>
<tr>
<td>- Consumer direct sales &amp; marketing</td>
</tr>
<tr>
<td>- Sub-regional targeting</td>
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<tr>
<td>- Competitive targeting</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Destination Marketing includes</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Tourism Development, including travel &amp; trade</td>
</tr>
<tr>
<td>- Group meeting destination marketing</td>
</tr>
<tr>
<td>- Multi-year tourism development</td>
</tr>
<tr>
<td>- Destination marketing</td>
</tr>
</tbody>
</table>
Attachment 6

FY2020 SDTMD Corporation
Directors Ranking of Applications
Summary

1 Page
**SDTMD Director Ranking Sheet**  
**FY2020 Annual Funding Applications**

Original recommendations made by SDTMD Board at March 1, 2019 Board Meeting.

### SDTMD Committee Ranking

<table>
<thead>
<tr>
<th>SDTMD Committee Ranking</th>
<th>Order:</th>
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<tbody>
<tr>
<td>FY 2020 ANNUAL FUNDING</td>
<td>APPLICATIONS</td>
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#### Distributable Funds

<table>
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<tr>
<th>Distributable Funds</th>
<th>36,936,306</th>
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<tbody>
<tr>
<td>Transfer from O/C Reserve</td>
<td>4,422,032</td>
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| Total | 41,358,338 |

### ROI FY

<table>
<thead>
<tr>
<th>ROI FY</th>
<th>Amount Requested</th>
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<tbody>
<tr>
<td>SDTA</td>
<td>21.7 $39,202,838</td>
</tr>
<tr>
<td>SURF CUP THANKSGIVING CHALLENGE</td>
<td>$40,000</td>
</tr>
<tr>
<td>USA ULTIMATE FRISBEE</td>
<td>$30,000</td>
</tr>
<tr>
<td>SURF CUP - ECNL GIRLS</td>
<td>8.48 $30,000</td>
</tr>
<tr>
<td>SD BOWL GAME ASSOCIATION - HOI</td>
<td>5.82 $410,000</td>
</tr>
<tr>
<td>CALIFORNIA STATE GAMES - SUMMER</td>
<td>18.4 $125,000</td>
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<td>CALIFORNIA STATE GAMES - WINTER</td>
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<td>SAN DIEGO BAY WINE &amp; FOOD FESTIVAL</td>
<td>7.97 $74,500</td>
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<tr>
<td>CALIFORNIA POLICE ATHLETIC FEDERATION</td>
<td>15.7 $75,000</td>
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<tr>
<td>WONDERFRONT</td>
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<tr>
<td>ANOC WORLD BEACH GAMES</td>
<td>14.5 $500,000</td>
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<tr>
<td>SAN DIEGO CREW CLASSIC - SPRING</td>
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<td>PRO AM BEACH SOCCER</td>
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<tr>
<td>USA VOLLEYBALL - GIRLS JR NATION</td>
<td>16 FY 22 $113,040</td>
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<td>SAN DIEGO BREWERS GUILD</td>
<td>5.73 $31,000</td>
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<td>SPARTAN RACE</td>
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<td>SWOOP CHALLENGE</td>
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<td>LEFT COAST WRESTLING</td>
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<td>BREEDER'S CUP 2021</td>
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<td>UNITED WORLD SPORTS-WORLD RUGBY - US SEA</td>
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#### Rank Order

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<tr>
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<th>Recommended Amount FY 20</th>
<th>Recommended Amount FY 21</th>
<th>Recommended Amount FY 22</th>
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</table>

#### Balance remaining:

| Balance remaining: | 113,040 |

| 136 136 136 136 120 105 136 1041 | 41,358,338 80,000 113,040 |
Table of Contents

Executive Message 1
SDTMD Overview 2
Experience San Diego 4
SDTMD Timeline 6
Tourism Economic Impact 8
Market Assessment 10
Contractor Performance & Impact 12
Financial Report 34
Board of Directors 36
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
- Increase overnight stays and ROI
- Increase market share
- Activate the Experience San Diego master plan
- TOT growth of 43% over five years: $939M (FY13-FY17) $1.33B (FY18-FY22)
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:

1. **Investing in new and existing leisure assets**
2. **Expanding meeting & convention tourism**
3. **Improving transportation to ease visitor access**
4. **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**
  Hotels vote to participate in a tourism marketing district.

- **MARCH**
  City of San Diego approves an additional five-year contract with SDTMD.

- **JANUARY**
  Collection of assessments begin.

- **APRIL**
  SDTMD is approved for a five-year contract with the City of San Diego; first board meeting held.

- **NOVEMBER**
  SDTMD funds development of a Destination Master Plan.
First Destination Master Plan in the history of San Diego complete.

DECEMBER

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

MARCH
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.

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

JULY
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).

AUGUST
City approves district modification to assess properties of 70 rooms or more and five-year contract with SDTMD.

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

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

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

JULY
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)

- **10.1 MILLION**
  Hotel Visitors to San Diego County

- **194K+**
  Tourism Industry Jobs in the County

- **$232 MILLION**
  In City TOT Collections
  4.6% YOY (FY18)

- **$895 MILLION**
  In State & Local Taxes (County CY17)

- **3RD LARGEST**
  Tax Contributor in the City (FY18)
Growth in TOT Collections
City of San Diego

FY14 $170M
FY15 $186M
FY16 $203M
FY17 $221M
FY18 $232M

Source: City of San Diego

Growth in Hotel Occupancy
City of San Diego

FY14 75.6%
FY15 78.1%
FY16 78.2%
FY17 79.5%
FY18 79.7%

Source: STR, Inc.

SDTMD Direct Impact on TOT
City of San Diego FY 2018

TOT $232M

$82M Estimated TOT generated from TMD programs

SDTMD contributed an estimated 35% of total TOT collections

Source: SDTMD
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

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<thead>
<tr>
<th>CONTRACTORS</th>
<th>FUNDING</th>
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<tbody>
<tr>
<td>San Diego Tourism Authority (SDTA) — Base Program Funding</td>
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<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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<td>Australian Football*</td>
<td>29,700</td>
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<td>Boys ECNL Soccer*</td>
<td>72,500</td>
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<td>Breeders’ Cup*</td>
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<tr>
<td>California State Games</td>
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<td>DestinationCare*</td>
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<td>Extreme Sailing*</td>
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<td>Farmers Insurance Open</td>
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<td>San Diego Bayfair/Thunderboats</td>
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<td>San Diego Bowl Game Association: Holiday Bowl</td>
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<tr>
<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>
<td>15,000</td>
</tr>
<tr>
<td>US Soccer Summer Showcase &amp; Playoffs*</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE &amp; SUPPORT</strong></td>
<td><strong>$37,241,212</strong></td>
</tr>
</tbody>
</table>

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.

*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 15.6 million engagements with digital platforms
- Hosted 67 Travel Trade Fam Tours with 369 clients
- 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
- 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.

$29,700*
FY18 Funding Amount

1,213
Hotel Room Nights

$147.08
Average Daily Rate (ADR)

$178,408
Total Room Night Revenue

• 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.*
Breeders’ Cup
November 3-4, 2017

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.

- 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.

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

HIGHLIGHTS

$150,000 FY18 Funding Amount

14,039* Hotel Room Nights

$159.15 Average Daily Rate (ADR)

$2,234,307 Total Room Night Revenue

ROI 14.9:1

*Combined Average of Summer and Winter Events
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.

- 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.

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

- 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.

<table>
<thead>
<tr>
<th>FY18 Funding Amount</th>
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<tbody>
<tr>
<td>Hotel Room Nights</td>
<td>44,434</td>
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<tr>
<td>Average Daily Rate (ADR)</td>
<td>171.63</td>
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<tr>
<td>Total Room Night Revenue</td>
<td>7,626,207</td>
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</table>

ROI 76.3:1
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.

<table>
<thead>
<tr>
<th>FY18 Funding Amount</th>
<th>12,639 Hotel Room Nights</th>
<th>$164.25 Average Daily Rate (ADR)</th>
<th>$2,075,956 Total Room Night Revenue</th>
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<tbody>
<tr>
<td>$300,000</td>
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</table>

- 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.
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.

- 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.

<table>
<thead>
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<th>FY18 Funding Amount</th>
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<td>Hotel Room Nights</td>
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<td>Average Daily Rate (ADR)</td>
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<tr>
<td>Total Room Night Revenue</td>
<td>$2,905,118</td>
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ROI
30.6:1
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.
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.

FY18 Funding Amount: $150,948

Number of Hotel Room Nights: 6,524

Average Daily Rate (ADR): $187.38*

Total Room Night Revenue: $1,222,467

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

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

- 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.

**HIGHLIGHTS**

- **ROI**: 17.4:1
- **Total Room Night Revenue**: $871,147
- **Average Daily Rate (ADR)**: $158.65
- **Hotel Room Nights**: 5,491
- **FY18 Funding Amount**: $50,000*
U.S. Police & Fire Championships
April 20-22, 2018

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.

FY18 Funding Amount: $40,639
Hotel Room Nights: 3,241
Average Daily Rate (ADR): $147.86
Total Room Night Revenue: $479,214
ROI: 11.8:1
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.

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

$500,000*
FY18 Funding Amount

10,923
Hotel Room Nights

$188.29
Average Daily Rate (ADR)

$2,056,692
Total Room Night Revenue

ROI
4.1:1

• 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.
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.

$15,000

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.
San Diego Tourism Marketing District

Statements of Financial Position

For Years Ending June 30, 2017 & 2018*

**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<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>

|                      |            |            |
| **Other assets**     |            |            |
| Security deposits     | 1,538      | -          |
| City holdbacks, net of current portion | 26,000,000 | 22,000,000 |
| Total other assets    | 26,011,538 | 22,000,000 |

**TOTAL ASSETS**

$39,767,652 37,864,956

**LIABILITIES & NET ASSETS**

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

|                      |            |            |
| **Long-term debt**   |            |            |
| Deferred revenue     | 0          | -          |
| Indemnification reserve, net of current portion | 26,000,000 | 22,000,000 |
| Total long-term debt | 26,000,000 | 22,000,000 |
| Total liabilities    | 38,825,824 | 37,192,370 |

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<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**

$39,767,652 37,864,956
## 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>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in unrestricted net assets</td>
<td>(270,904)</td>
<td>(269,242)</td>
</tr>
<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.
Attachment 8

FY 2019 Interim Report of Activities
Summary

5 Pages
San Diego Tourism Marketing District
FY 2019 Interim Report of Activities
(July 1- 2018 – February 28, 2019)

Establishment
Established by Resolution R-307843, date of final passage November 27, 2012 with District effective from January 1, 2013 through June 30, 2052 (a term of 39 ½ years) District and Plan modified by Resolution R-310664, effective September 1, 2016.

Agreement between City and SDTMD
Approved by Resolution R-310731; effective November 1, 2016 through October 31, 2021;

Advisory Board:
San Diego Tourism Marketing District (SDTMD)
750 B Street
San Diego, CA 92101
(619) 557-2854
www.sdtmd.org

Assessment Methodology: All assessment rates are based on the privileges directly conferred and specific benefit directly received by assessed businesses from the activities provided within each category and is levied on “Assessable Rent” which is based on gross room rental revenue less exempt revenues, of those benefitting businesses.

Annual Assessment Rates:

Applied to Assessable Rent of qualifying lodging businesses. Lodging businesses with 70 or more rooms assessed at a total rate of 2%
FY 2019 TMD Budget Summary
Pursuant to San Diego Tourism Marketing District Management Plan

Available Tourism Marketing District (TMD) Funds for FY 2019:

- Projected Assessments: $39,942,627
- Projected Interest: 160,000
- Utilization of Original district funds: 75,000
- Projected FY18 Carryovers: 4,569,762
- Total FY 2019 Funds Available: $44,747,389

Expenditures for FY 2019:

- Allocations *: $39,064,496
- Administration: 2,018,533
- Total FY 2019 Projected Expenditures: 41,083,029

Reserve Allocations for FY 2019:

- Litigation reserve: 1,000,000
- Opportunity/Catastrophe: 2,664,360
- Total FY 2018 Projected Reserves: 3,664,360
- Total Expenditures and Reserves: $44,747,389

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Budgeted Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Tourism Authority - Base</td>
<td>$36,672,996</td>
</tr>
<tr>
<td>Surf Cup – Elite Clubs National League - Girls</td>
<td>$80,000</td>
</tr>
<tr>
<td>Surf Cup – Man City America’s Cup</td>
<td>$40,000</td>
</tr>
<tr>
<td>Surf Cup – Thanksgiving Challenge</td>
<td>$40,000</td>
</tr>
<tr>
<td>California Police Athletic Federation</td>
<td>$75,000</td>
</tr>
<tr>
<td>California State Games</td>
<td>$175,000</td>
</tr>
<tr>
<td>San Diego Bay Wine and Food Festival</td>
<td>$74,500</td>
</tr>
<tr>
<td>San Diego Bayfair: Thunderboats</td>
<td>$95,000</td>
</tr>
<tr>
<td>San Diego Bowl Game Association – Holiday Bowl</td>
<td>$375,000</td>
</tr>
<tr>
<td>San Diego Bowl Game Association – Navy Vs. Notre Dame</td>
<td>$200,000</td>
</tr>
<tr>
<td>San Diego Crew Classic - Spring</td>
<td>$250,000</td>
</tr>
<tr>
<td>San Diego Gaelic Athletic Association</td>
<td>$25,500</td>
</tr>
<tr>
<td>Extreme Sailing</td>
<td>$250,000</td>
</tr>
<tr>
<td>Swoop Challenge</td>
<td>$50,000</td>
</tr>
<tr>
<td>USTA Billie Jean King Girls National Championship</td>
<td>$50,000</td>
</tr>
<tr>
<td>USA Ultimate (Frisbee)</td>
<td>$30,000</td>
</tr>
<tr>
<td>San Diego Brewers Guild</td>
<td>$21,500</td>
</tr>
<tr>
<td>Best Coast Beer Festival</td>
<td>$60,000</td>
</tr>
<tr>
<td>Surf – US Soccer Summer</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$39,064,496</strong></td>
</tr>
</tbody>
</table>
FY 2019 Funding ROI and Ranking Detail

NOTE: As of submittal date, only Q1 and Q2 ROI reports have been received
(Q3 ROI reports are due on May 31, 2019)

a. San Diego Tourism Authority (SDTA): 36,672,996
   i. Score Ranking:
      - Directors’ Aggregate Score: #1 of 18
   ii. Return on Investment (ROI)-projected:
      - 4,721,600 total hotel room nights
      - $870,132,048 @ $184.29
      - 23.3:1
   iii. Actual FY 2019 ROI Q1 &Q2:
      - Campaigns run through Q4 of FY 2019
      - Citywide Group Sales @ 39% to FYTD goal
      - Hotel Sales Division @ 85% to FYTD goal

b. Surf Cup – Elite Clubs $80,000
   i. Score Ranking:
      - Directors’ Aggregate Score: #9 of 18
   ii. Return on Investment (ROI)-projected:
      - 22,000 total hotel room nights
      - $3,718,000 @ $169 ADR
      - 46.5:1
   iii. Actual FY 2019 ROI:
      - This program occurs in Q4 FY 9.

c. Surf Cup – Man City Americas Cup $40,000
   i. Score Ranking:
      - Directors’ Aggregate Score: #13 of 18
   ii. Return on Investment (ROI)-projected:
      - 3500 total hotel room nights
      - $ 577,500 @ $165 ADR
      - 14.4:1
   iii. Actual FY 2019 ROI Q1 &Q2:
      - This program occurs in Q4 FY 19.
d. Surf Cup – Thanksgiving Challenge ........................................... $40,000
  i. Score Ranking:
    • Directors’ Aggregate Score: #4 of 18
  ii. Return on Investment (ROI)-projected:
    • 6700 total hotel room nights
    • $ 1,105,500 @ $165 ADR
    • 27.6:1
  iii. Actual FY 2019 ROI Q1 & Q2:
    • 5539 total hotel room nights
    • $888,843 @ $160.46 ADR
    • 22.2:1

e. California Police Athletic Federation ........................................ $75,000
  i. Score Ranking:
    • Directors’ Aggregate Score: #8 of 18
  ii. Return on Investment (ROI)-projected:
    • 11,500 total hotel room nights
    • $1,841,380 @ $179 ADR
    • 24.3:1
  iii. Actual FY 2019 ROI Q1 & Q2:
    • This program occurs in Q4 FY 19

f. California State Games (Summer & Winter) ................................ $175,000
  i. Score Ranking:
    • Directors’ Aggregate Score: #11 of 18
  ii. Return on Investment (ROI)-projected:
    • 17,500 total hotel room nights
    • $2,817,500 @ $161 ADR
    • 16.1:1
  iii. Actual FY 2019 ROI Q1 & Q2 (Summer Games Only)
    • 12,784 total hotel room nights
    • $217,210 @ $180.06 ADR
    • 13.2:1
    • Winter Games program occurs in Q3 FY 19.
g. San Diego Bay Wine and Food Festival $74,500
   i. Score Ranking:
      • Directors’ Aggregate Score: #7 of 18
   ii. Return on Investment (ROI)-projected:
      • 2840 total hotel room nights
      • 639,000 @ $225 ADR
      • 8.6:1
   iii. Actual FY 2019 ROI Q1 & Q2:
      • 5208 total hotel room nights
      • $2,905,118 @ $209 ADR
      • 14.6:1

h. San Diego Bayfair: Thunderboats $95,000
   i. Score Ranking:
      • Director’s Aggregate Score: #2 of 18
   ii. Return on Investment (ROI)-projected:
      • 17,061 total hotel room nights
      • $2,780,943 @ $163 ADR
      • 29.3:1
   iii. Actual FY 2019 ROI Q1 & Q2:
      • 18,497 total hotel room nights
      • $3,103,423 @ $164.77 ADR
      • 32.7:1

i. San Diego Bowl Game Association – Holiday Bowl $375,000
   i. Score Ranking:
      • Director’s Aggregate Score: #3 of 18
   ii. Return on Investment (ROI)-projected:
      • 23,437 total hotel room nights
      • $2,765,566 @ $118 ADR
      • 7.4:1
   iii. Actual FY 2019 ROI Q1 & Q2:
      • 22,889 total hotel room nights
      • $4,048,377 @ $176.86 ADR
      • 10.8:1
j. San Diego Bowl Game Association – Navy vs Notre Dame $200,000

i. Score Ranking:
   - Director’s Aggregate Score: #14 of 18

ii. Return on Investment (ROI)-projected:
   - 10,000 total hotel room nights
   - $1,340,000 @ $134 ADR
   - 6.7:1

iii. Actual FY 2019 ROI Q1 &Q2:
   - 12,595 total hotel room nights
   - $2,590,792 @ $205.70 ADR
   - 12.95:1

l. San Diego Gaelic Athletic Association $25,500

i. Score Ranking:
   - Director’s Aggregate Score: #16 of 18

ii. Return on Investment (ROI)-projected:
   - 950 total hotel room nights
   - $156,750 @ $165 ADR
   - 6.1:1

iii. Actual FY 2019 ROI Q1 &Q2:
   - This program occurs in Q4 FY 19.

m. Extreme Sailing $250,000

i. Score Ranking:
   - N/A - Supplemental Request, approved 4/13/18

ii. Return on Investment (ROI)-projected:
   - 5,303 total hotel room nights
   - $1,081,812 @ $204 ADR
   - 4.3:1

iii. Actual FY 2019 ROI Q1 &Q2:
   - 1357 total hotel room nights
   - $347,188 @ $255.85 ADR
   - 1.4:1
n. Swoop Challenge $50,000
   i. Score Ranking:
      • N/A - Supplemental Request, approved 6/1/18
   ii. Return on Investment (ROI)-projected:
      • 2000 total hotel room nights
      • $340,000 @ $170 ADR
      • 6.8:1
   iii. Actual FY 2019 ROI Q1 & Q2:
      • 1445 total hotel room nights
      • $299,982 @ $207.60 ADR
      • 6:1

o. USTA Billie Jean King Girls National Championship $50,000
   i. Score Ranking:
      • N/A - Supplemental Request, approved 6/1/18
   ii. Return on Investment (ROI)-projected:
      • 2000 total hotel room nights
      • $298,000 @ $149 ADR
      • 6:1
   iii. Actual FY 2019 ROI Q1 & Q2:
      • 2617 total hotel room nights
      • $538,552 @ $205 ADR
      • 10.8:1

p. USA Ultimate (Frisbee) $30,000
   i. Score Ranking:
      • N/A - Supplemental Request, approved 6/1/18
   ii. Return on Investment (ROI)-projected:
      • 1500 total hotel room nights
      • $225,000 @ $150 ADR
      • 7.5:1
   iii. Actual FY 2019 ROI Q1 & Q2:
      • 2942 total hotel room nights
      • $469,278 @ $159
      • 15.6:1
q.  San Diego Brewers Guild  $21,500
   i.  Score Ranking:
       •  N/A - Supplemental Request, approved 9/20/18
   ii. Return on Investment (ROI)-projected:
       •  975 total hotel room nights
       •  $215,475 @ $221 ADR
       •  10:1
   iii. Actual FY 2019 ROI Q1 & Q2:
       •  1509 total hotel room nights
       •  $314,702 @ $208.55 ADR
       •  14.6:1

r.  Best Coast Beer Fest  $60,000
   i.  Score Ranking:
       •  N/A - Supplemental Request, approved 12/14/18
   ii. Return on Investment (ROI)-projected:
       •  1500 total hotel room nights
       •  $373,500 @ $249 ADR
       •  6.2:1
   iii. Actual FY 2019 ROI Q1 & Q2:
       •  This program occurs in Q3 FY 19.

s.  Surf – US Soccer Summer  $500,000
   i.  Score Ranking:
       •  N/A - Supplemental Request, approved 12/14/18
   ii. Return on Investment (ROI)-projected:
       •  27,929 total hotel room nights
       •  $5,334,439 @ $191 ADR
       •  10.7:1
   iii. Actual FY 2017 ROI Q1 & Q2:
       •  This program occurs in Q4 FY 19.
SMILE
you're in San Diego

SMILE
you're in San Diego

SMILE
you're in San Diego

SMILE
you're in San Diego