

Agenda Item 3.A

MINUTES* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS

BOARD MEETING OF FEBRUARY 28, 2024

BOARD MEMBERS PRESENT: Chair Jeff Gattas and Directors Will Rodriguez-Kennedy, Shawn VanDiver, Jaymie Bradford, Sam Nejabat, and Gretchen Newsom

BOARD MEMBER(S) ABSENT: Director Alyssa Turowski

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl, Maren Dougherty, Michael Milligan, Victoria Mitchell, and Pat Evans (Recorder)

ALSO PRESENT: Jennifer Lyon, General Counsel

*Meeting Minutes memorialize votes on "Action Items" and Staff Reports and are not a verbatim transcript of regular Board meetings. Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.

1. Call to Order

Chair Jeff Gattas called the Board Meeting to order at 12:02 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

Chair Gattas then called roll to determine which Directors were present:

Director Gattas – Present
Director VanDiver - Present
Director Bradford – Present
Director Rodriguez-Kennedy – Present
Director Turowski – Absent
Director Nejabat – Present
Director Newsom - Present

All Directors were recorded as present except Director Alyssa Turowski. Chair Gattas noted that all votes taken during this meeting would be recorded via roll call vote.

2. **Non-Agenda Public Comment** – Chair Gattas inquired if any member of the public wished to comment on any non-Agenda items. No members of the public responded to the request for comment.

3. **Board Committee Reports and Board Action Items:**

Consent Agenda:

A. Approval of Minutes of Board Meeting of January 31, 2024.

Chair Gattas inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Gattas then inquired if any member of the public wished to comment on Agenda Item (3.A). No members of the public responded to the request for comment.

After request for public comment and for Director discussion, Directors Rodriguez-Kennedy and Director Newsom moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.

**Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Aye
Director Rodriguez-Kennedy – Aye
Director Turowski – Absent
Director Nejabat – Aye
Director Newsom - Aye**

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

Action Item(s):

B. Budget Committee (Will Rodriguez-Kennedy)

(1) Chief Financial Officer Update

Ms. Mattix reported the following:

- The Corporation was trailing slightly in revenues through January primarily due to a lack of booked “fill-in” events based on the new sales philosophy. However, while reviewing trends, staff has noted that month-over-month, existing events are performing better than expected.
- There was an incredible event in December which helped boost that month’s revenues and in January, the Corporation hosted three City-wide events, a short-term corporate event fill-in and a local trade show and other small events.
- Of the City-wide events that were booked, all three produced results that were substantially higher than projected compared to their previous visits at the center.

- The resulting revenues show that the sales strategy continues to work, and staff will continue to monitor the strategy and its very positive results.
- From an expense perspective, the Corporation is pretty much on point with what we have previously discussed. The Corporation has been slightly over-budget on personnel than what is showing through January. This is because there were a few positions staff had intended to fill in January that have been delayed until the end of the year. There have also been a couple of staff turnovers. This line item will show slight savings.
- The Corporation's reserves are still holding at approximately \$27 million and we are projecting to end the year better than budget.

After Ms. Mattix submitted her report, Chair Gattas inquired if any member of the public wished to comment on Agenda Item (3.B). No members of the public responded to the request for comment. No vote is required on this matter as this is an informational update.

C. Sales & Marketing Committee (Shawn VanDiver)

Director VanDiver reported that a review of the SDTA Program of Work will take place at the March Sales & Marketing committee meeting. He also noted it is exciting to see the new sales philosophy paying dividends in the budget results. Director VanDiver then asked Mr. Mikschl to provide his sales report.

Andy Mikschl, Executive VP-Sales, provided the following short-term sales update:

- Short-term sales are booked within eighteen months and are managed by the Corporation's in-house sales team and generally consist of smaller convention trade or corporate events, meeting seminars or local events. The January sales report shows the team booked four events which is consistent with the sales strategy of being very selective regarding booking high-impact events which also positively impact the community.
- One of the events booked was the UNFI (United National Food Institute) Spring & Summer Show 2025, which took place this month and which staff is hopeful may become an annual event. This event brought in over \$500,000 of catered food and beverage in February. This is the type of event that has high impact, i.e., good room nights for the destination, good food and beverage revenues, and the potential for future growth.
- Art San Diego was another group booked. Southwest Airlines also had a one-day employee event which generated over \$200,000 in food and beverage revenues.
- For SDTA, (the long-term sales team books events outside of eighteen months) the team booked three events in January and are on pace for their room night goal as they booked 338,000 room nights of their 650,000 room night annual goal.
- Under the lead activity in the "funnel," there are over 1.7 million tentative room nights in the funnel compared to only 600,000 last year.
- The sales team is working closely with SDTA on quality of business booked within five to seven years. If a major medical event materializes that wishes to be booked further out (ten to fifteen years), the Center will book that business; however, the

team is really focused on the five-to-seven-year window to ensure the center is maximizing its availability.

- The three events booked in January are all first-time events for the center. So, while staff is always interested in pursuing repeat business, they are also looking for new opportunities as well.
- Next month, SDTA will review their draft “Program of Work” to the Sales & Marketing Committee and that report will eventually be presented to the full Board for review. The “Program” is a roadmap of strategies and goals for the coming fiscal year from SDTA which is reviewed on an annual basis. The “Program” will be finalized prior to the end of the fiscal year.

After staff submitted its reports, Chair Gattas inquired if any member of the public wished to comment on Agenda Item (4.C). No members of the public responded to the request for comment. No vote was required on this item as it is a Sales & Marketing Committee update.

4. **Closed Session:** The Board entered into closed session at 12:15 p.m. to discuss the items set forth hereinbelow.

A. EMPLOYEE PERFORMANCE EVALUATION
Government Code Section 54957
Title: President & CEO

The Board returned to open session at 1:40 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “4.A,” and direction was given but no reportable action was taken.

5. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2): **None**

There being no further business, the meeting adjourned at 1:41 p.m.

I, Alyssa Turowski, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on February 28, 2024, and that said minutes were approved by the Board of Directors on March 27, 2024.

[Approved at Board Meeting of March 27, 2024]
Alyssa Turowski, Secretary