



»» **DO YOU CARE ABOUT
POLICE SERVICES,
PARKS AND BEACHES,
MUSEUMS AND LIBRARIES?**

GOOD.



THEN YOU CARE ABOUT YOUR CONVENTION CENTER.

»» WHY SHOULD YOU CARE ABOUT THE SAN DIEGO CONVENTION CENTER?

BECAUSE:



ONE

1. The Convention Center **reduces** the burden on local taxpayers.



TWO

2. The Convention Center **creates** region-wide jobs and economic benefits.

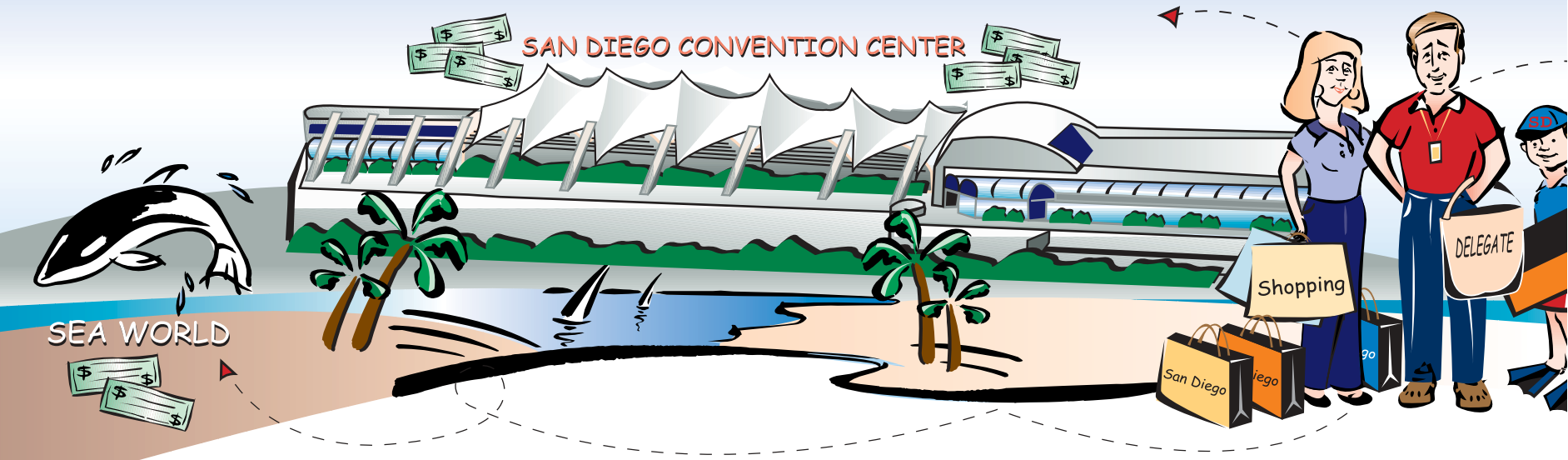


THREE

3. The **award-winning** Convention Center is an important community gathering place.

READ ON...

>> WHAT DO CONVENTION DELEGATES TYPICALLY DO WHEN THEY COME TO SAN DIEGO?



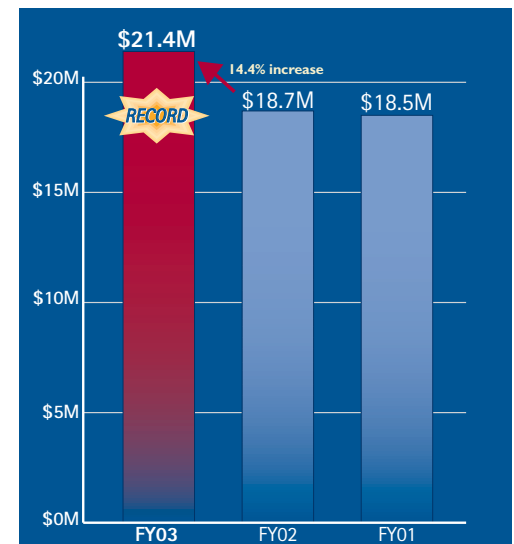
>> WHY SHOULD YOU CARE ABOUT THE SAN DIEGO CONVENTION CENTER?

ONE

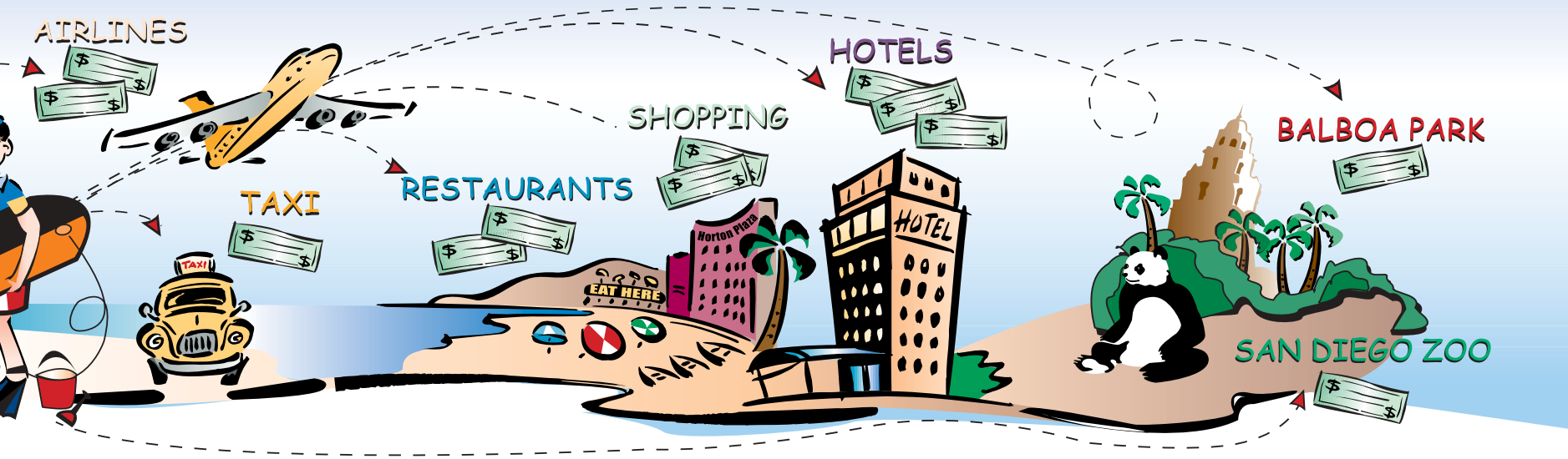
1. The Convention Center **reduces** the burden on local taxpayers...

Out-of-town convention delegates fuel tax revenues that this past fiscal year totaled an all time high of \$21.4 million. Those revenues are used by the City of San Diego to pay for basic city services – including police protection, street, park and beach maintenance, as well as libraries and museums – thus reducing the tax burden on local tax payers.

3 YEAR T.O.T. HISTORY



Convention delegates spend money when they come to San Diego. These dollars roll into all areas of the local economy – hotels, restaurants, retail establishments, attractions and transportation – just to name a few. Many conventioners bring their families and extend their trip into a vacation, thus leaving behind even more dollars.



The City realized a **155% return** on its investment in the Convention Center in FY03.

NET REVENUES FOR FY03

Hotel Room Tax Revenue
Transient Occupancy Tax - TOT **\$20.1 million**

Sales Tax Revenue + \$ 1.3 million

**Total Tax Revenue
Generated by
Convention Center \$21.4 million**

EXPENSES FOR FY03

City's annual bond payment for the expansion \$ 9.2 million

Port of San Diego annual contribution for expansion bonds \$ 4.5 million

Total annual bond payment \$ 13.7 million

City's annual investment + \$ 4.6 million
in Corporation's 3 facilities

Total City Investment \$13.8 million

NET RETURN ON INVESTMENT FOR FY03

**Net Return on
Investment from \$7.6 million ROI
Convention Center**

Return on Investment 459%
(investment only)

Return on Investment 155%
(investment and debt service)



>> WHY SHOULD YOU CARE ABOUT THE SAN DIEGO CONVENTION CENTER?

TWO

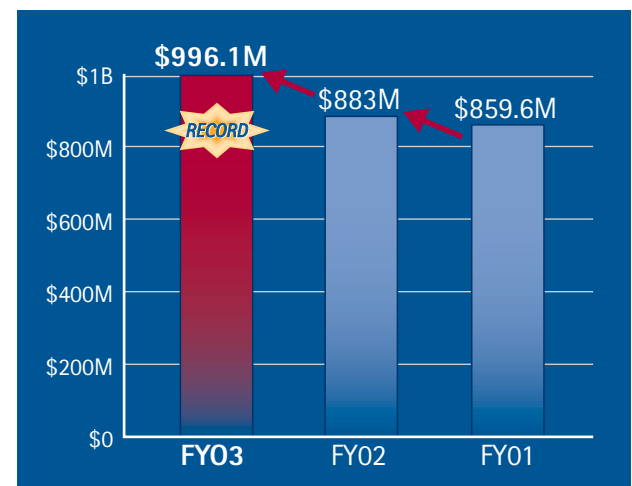
2. The Convention Center **creates** region-wide jobs and economic benefits...

Spending associated with Convention Center events interacts with all sectors of the local economy. Convention Center **events are responsible for supporting 7,950 jobs county-wide**. While many of these jobs are in the hospitality sector, others are in sectors as diverse as agriculture, durable goods manufacturing, and residential construction.

The Convention Center's primary mission is to attract conventions and meetings that will generate economic benefits for San Diegans. When convention tourists come to San Diego they create economic activity. Activity that ripples throughout our region.



3 YEAR ECONOMIC IMPACT



RECORD-BREAKING YEAR

FY03 AT A GLANCE	
RECORD Economic Impact	\$996.1 million
RECORD TOT & Sales Revenue	\$ 21.4 million
Events	231
Attendance	810,784
RECORD Hotel Room Nights	706,319

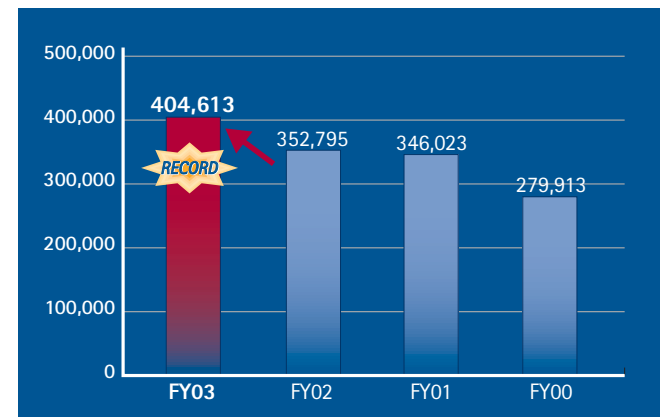


FY03 was the highest achieving year in the San Diego Convention Center's 14 year history.

- Each convention, on average, generated \$17 million for San Diego.
- Events that attract out-of-town visitors are the key to San Diego's economic prosperity. This year marked an all time historical high for out-of-town delegates: 404,613.
- This year also saw a 20% increase in convention and trade show attendance over last year.



PRIMARY BUSINESS ATTENDANCE

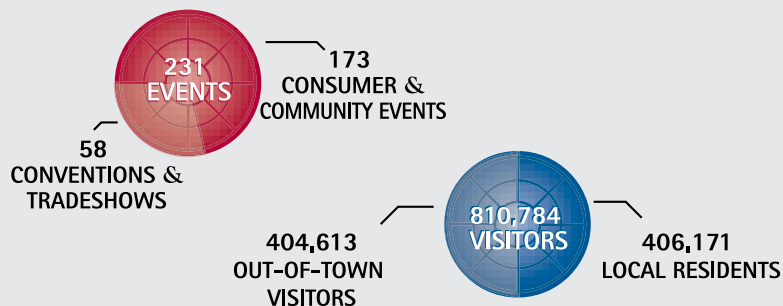




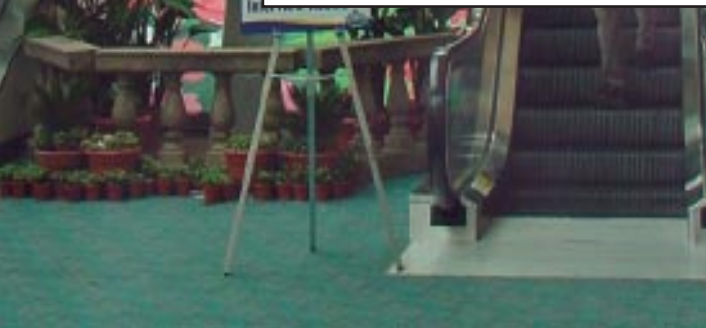
NUMBER OF EVENTS AND ATTENDANCE

In FY03, 231 events were held that fell into two categories:

- First, 58 conventions and trade shows were hosted that attracted 404,613 out-of-town visitors.
- Secondly, 173 community and consumer events were hosted that attracted 406,171 local San Diegans.



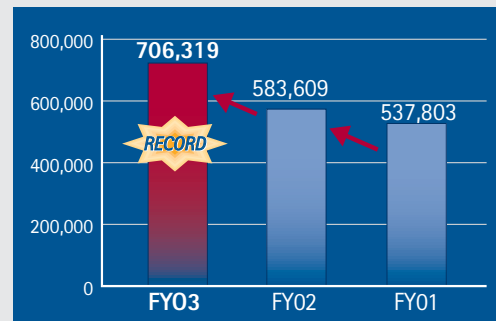
This year the Convention Center hosted the **4,000,000th** out-of-town delegate.



KEEPING THE HOTELS FILLED

Convention delegates used 706,319 room nights. The room tax revenues paid by visitors are used to help pay for city services that improve our quality of life.

HOTEL ROOM NIGHT USAGE





»» WHY SHOULD YOU CARE ABOUT THE SAN DIEGO CONVENTION CENTER?

THREE

3. The award-winning Convention Center is also an important **community gathering place**...

The Convention Center is more than just a venue for national conventions and trade shows, it is a magnet for the local community too. As the city's premier gathering place, it is where local meetings, banquets, educational, cultural, religious and social functions are held on behalf of all members of the community.

We host popular community events like the San Diego International Auto Show and San Diego Boat Show that millions of San Diegans flock to every year. Even if you have never stepped into the building, you still benefit every time you visit city parks, beaches, libraries or museums.



>> HAS THE CONVENTION CENTER WON ANY AWARDS?

This year the Convention Center was distinguished with two top awards. These prestigious awards are bestowed upon convention centers that demonstrate the highest caliber of excellence in customer service and quality facilities.



>> A LOOK AHEAD...

FY04 promises to be a **record-breaking year again** in almost all categories.

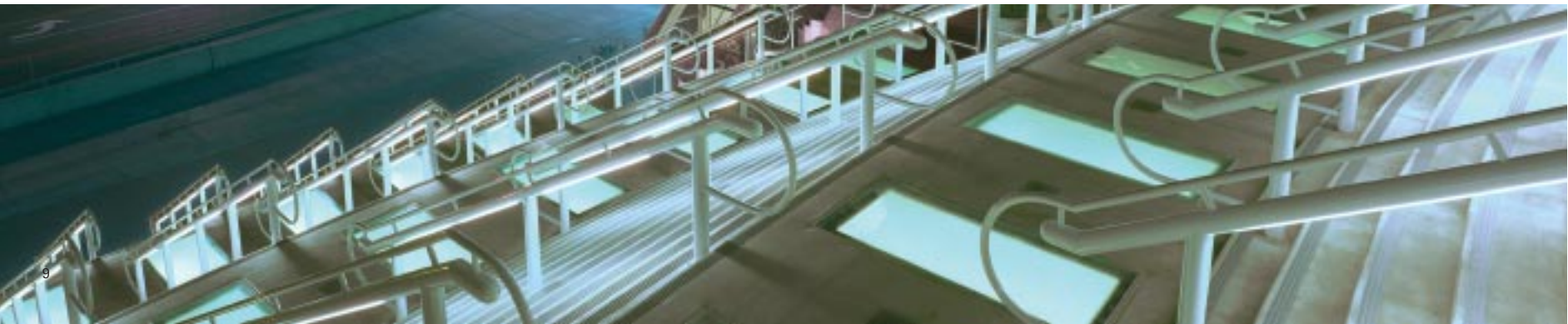
RECORD • 64 conventions and tradeshow attracting 473,000 out-of-town visitors

RECORD • Record \$1 billion in economic impact

RECORD • Total attendance of 823,341

• 10 millionth visitor overall expected in Fall 2003

The San Diego Convention Center Corporation proudly markets the Center in a partnership with the San Diego Convention & Visitors Bureau. These results would not be possible without their steadfast support.





SAN DIEGO CONCOURSE

THE SAN DIEGO CONVENTION CENTER CORPORATION ALSO MANAGES THE **SAN DIEGO CONCOURSE**.

The San Diego Concourse was the region's first community gathering place. Overall attendance topped out at 248,900 people this fiscal year.

This mid-size multi-purpose convention facility continues to host some of the community's most popular events. Election Central, the Bridal Bazaar, the Harvest Festival and the International Reptile Show are among the annual crowd pleasers.

FY03 AT A GLANCE	
Economic Impact	\$29.1 million
TOT & Sales Revenue	\$587,000
Events	267
Attendance	248,900
Hotel Room Nights	26,250





THE SAN DIEGO CONVENTION CENTER CORPORATION ALSO MANAGES THE **SAN DIEGO CIVIC THEATRE.**

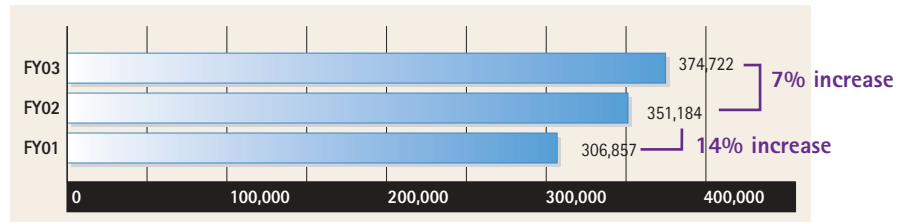
The 2,967-seat San Diego Civic Theatre is San Diego's premier cultural venue. As the region's largest and best equipped theatre, it is home to the prestigious San Diego Opera, California Ballet, La Jolla Music Society and Nederlander's Broadway/San Diego. It also serves community gatherings such as the annual "Salute to Teachers" telecast, Congregation Beth Israel's High Holy Days and the Marine/Navy "Toys for Tots" holiday concerts.

This year was exceptional for the Civic Theatre with attendance increasing 7% over last year to 374,722 total patrons. Much of the credit for the increase goes to a highly successful long-term agreement with Nederlander's Broadway/San Diego that brought blockbusters like *THE PRODUCERS*, *The New MEL BROOKS Musical*; Disney's *Beauty and the Beast*; and *Lord of the Dance*. In FY03, the Corporation initiated San Diego Theatres (SDT) as a subsidiary corporation. SDT will run the Civic Theatre and eventually, the historic Balboa Theatre.

FY03 AT A GLANCE	
Events	39
Performances	161
Attendance	374,722



3 YEAR ATTENDANCE HISTORY



RENOVATION

Although the San Diego Civic Theatre opened in 1965, it has never received a major renovation. Plans are underway to secure funding to renovate the theatre. The enhancements planned include:

- New exterior façade, front entrance and lobby.
- New exterior staircase and outdoor terraces.
- Significant enhancements to the auditorium, including ADA compliance.

The improvements will enhance the theatre-going experience for patrons and increase the marketability of the facility.



PERFORMING ARTS PACKS A PUNCH

The Civic Theatre packs a significant economic punch. A study was conducted during 16 performances of *THE PRODUCERS*, *The New MEL BROOKS Musical* in January 2003. It provided a glimpse of the annual spending activity of theatre patrons.

- Broadway/San Diego show attendees spent \$7.15 million on dining, shopping, hotels, parking and other expenses last year.
- Show attendees spent \$4.47 million at restaurants alone last year.
- Combined employment of Nederlander's Broadway/San Diego, the Civic Theatre and related restaurant and hotel employment totaled more than 600 jobs during the two-week engagement of *THE PRODUCERS*, *The New MEL BROOKS Musical*.



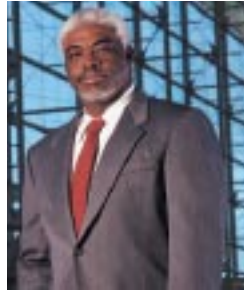
OPERATING REVENUES		FY03 TOTALS
Rental Revenue		
Convention & Trade Shows	\$	6,358,861
Corporate/Incentive Events	\$	1,304,407
Performing Arts	\$	880,741
Community Events	\$	713,843
Consumer Shows	\$	692,663
Conference Center/Meeting Rooms	\$	639,153
Food & Beverage		
Food & Beverage Commissions	\$	6,312,323
Ancillary Services		
Utilities	\$	2,253,987
Event & Cleaning Services	\$	2,133,701
Telecommunications	\$	1,344,720
Audio and Visual	\$	962,219
Ticketing Services	\$	920,953
Facility Restoration Fees	\$	638,825
Parking	\$	495,052
Other	\$	136,412
Subtotal Corporation Operating Revenues	\$	25,787,860
City of San Diego Transient Occupancy Tax	\$	2,319,505
Total Revenues	\$	28,107,365
OPERATING EXPENDITURES		
Salaries and Fringe Benefits	\$	18,365,409
Utilities	\$	3,294,543
General Expenses	\$	1,857,555
Repair and Maintenance	\$	1,246,456
Insurance	\$	1,201,919
Civic Theatre Restoration	\$	638,825
Contracted Services	\$	611,943
Supplies	\$	518,988
Sales and Marketing	\$	197,960
Travel and Transportation	\$	113,042
Telecommunications	\$	60,213
Food and Beverage	\$	512
Total Expenditures	\$	28,107,365

NOTE: Excludes capital improvements and Sails Pavilion loan expense.

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 **SAN DIEGO CONVENTION CENTER CORPORATION**
111 WEST HARBOR DRIVE, SAN DIEGO, CA 92101
619.525.5000 • fax: 619.525.5005 • www.sdccc.org

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OUR ANNUAL REPORT TO YOU

