

**SAN DIEGO CONVENTION CENTER CORPORATION  
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, MARCH 23, 2022, NOON  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

Pursuant to Government Code section 54953(e) and Board Resolution No.2022-02, members of the San Diego Convention Center Corporation Board and staff may participate in public meetings via teleconference or video conference. In the interest of reducing the spread of COVID-19, in-person public participation is prohibited at this time. Board meetings are held live via teleconference at the number indicated at the top of the agenda. Members of the public may participate live in the Board meeting and submit comments live on the teleconference line.

**Telephone number for members of the public  
to observe, listen, and address the meeting telephonically:  
1(888) 251-2909 – Access code is 6724115#**

**1. Call to Order – Carol Kim, Chair**

**2. Non-Agenda Public Comments**

This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that are not on the posted agenda. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.

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

**Consent Agenda:**

**A. Approval of Minutes of Board Meeting of February 23, 2022**

**Action Item(s):**

**B. Budget Committee (Jeff Gattas)**

**(1) Acceptance of February Financial Reports from Chief Financial Officer**

**(2) Authorization to Approve Fiscal Year 2023 Budget**

**(3) Authorization to Approve FY 2023 CIP/Infrastructure and O&M Projections**

**(4) Authorization to Award Contract for Talent Acquisition Consulting**

**(5) Authorization to Contract for Repairs to Chiller No. 1**

**C. Sales & Marketing Committee (Carlos Cota)**

**4. President's Report (Rip Rippetoe)**

- **SDCCC Strategic Plan Update**

**5. Chair's Report (Carol Kim)**

**6. Board Comment [Govt. Code § 54954.2(a)(2)]**

**7. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2)**

**8. Closed Session**

**A. CONFERENCE WITH LEGAL COUNSEL -ANTICIPATED LITIGATION  
Initiation of litigation pursuant to Government Code section 54956.9(d)(4)  
(1 case)**

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

**Adjournment**

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In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting online at [visitsandiego.com](http://visitsandiego.com). Materials distributed to the board after the posting of this agenda also will be available. Please contact Pat Evans at (619)525-5131 or [pat.evans@visitsandiego.com](mailto:pat.evans@visitsandiego.com) if you would like to receive a copy of any material related to an item on this agenda.

Action items on this agenda may be consolidated for voting purposes into a single vote of the Board, to the extent they are routine or otherwise do not require further deliberation. A Board member may comment on an action item before it is voted upon as part of the consolidated vote; however, if a Board member wishes to discuss an action item, that item will not be included in the consolidated vote. If a member of the public wishes to comment upon an action item, they should so advise the Board chair at or before the public comment portion of the meeting, in which case that item will not be included in any consolidated vote.

## **Agenda Item 3.A**

### **MINUTES\* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS**

#### **BOARD MEETING OF FEBRUARY 23, 2022 Via Teleconference**

**BOARD MEMBERS PRESENT:** Chair Carol Kim and Directors Carlos Cota, Jeff Gattas, Shawn VanDiver and Jaymie Bradford

**BOARD MEMBER(S) ABSENT:** Directors Will Rodriguez-Kennedy and Elvin Lai

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Andy Mikschl and Pat Evans (Recorder)

**ALSO PRESENT:** Jennifer Lyon, General Counsel, Julie Coker, SDTA President & CEO

\*Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or [pat.evans@visitsandiego.com](mailto:pat.evans@visitsandiego.com) to request a copy.

#### **1. Call to Order**

Chair Carol Kim called the Board Meeting to order at 12:05 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Chair Kim then called roll to determine which Directors were present on the teleconference:

**Director Kim – Present**  
**Director Cota – Present**  
**Director Gattas – Present**  
**Director VanDiver – Present**  
**Director Bradford – Present**  
**Director Rodriguez-Kennedy – Absent**  
**Director Lai – Absent**

All Directors were recorded as present except Director Rodriguez-Kennedy and Director Lai. Chair Kim noted that all votes taken during this meeting would be recorded via roll call vote.

**2. Non-Agenda Public Comment** – Chair Kim inquired if any member of the public wished to comment on any 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 Meetings of January 26, 2022**
- B. Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc., Extending the Authorization of All or Partial Remote Teleconference Meetings of All Legislative Bodies as Needed During the Covid-19 Local and State Emergency through March 25, 2022 Pursuant to Brown Act Provisions.**

**Directors Gattas and Cota moved and seconded, respectively, to approve the Consent Agenda set forth hereinabove.**

**Director Kim – Aye  
Director Cota – Aye  
Director Gattas – Aye  
Director VanDiver – Aye  
Director Bradford – Aye  
Director Rodriguez-Kennedy – Absent  
Director Lai – Absent**

**Vote: Unanimous**

**AYES: 5                      NAYS: 0                      ABSTENTIONS: 0**

**Action Item(s):**

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.C.1. No members of the public responded to the request for comment.

**C. Budget Committee (Jeff Gattas)**

**(1) Acceptance of January Financial Reports from Chief Financial Officer**

Director Lai joined the meeting at 12:14 p.m.

CFO Mardeen Mattix issued the following report:

- Through January, the Corporation performed a little bit better than projected last month.
- Through January, the Corporation is running a deficit of \$5.7 million dollars and that is without any support from the City from the operational subsidy at this point. Staff is pleased with the \$5.7 million figure since Staff had anticipated the deficit would be closer to \$7 million. Staff will be meeting with City staff this week to discuss our current financial position and the needs for our deficit funding.
- Staff anticipates that we will receive a subsidy of \$6 million from the City for this fiscal year; however, we will review what our future needs look like before the City makes the



subsidy commitment. Staff is also waiting to find out when we will present our year-to-date results and the budget for the upcoming year to the full City Council.

- Due to the difference in timing between when the Budget Committee meeting was scheduled compared to when the Corporation's financial month ended, Staff was unable to complete financial reports in time to present at the Budget Committee meeting.
- Staff did complete our ERP conversion, unfortunately some functions had to be completed manually and there were some issues with the program's consultant. Staff will get the monthly financials distributed in time for Directors to review prior to the Board meeting.
- Next month, there will also be a bit of a challenge distributing financial information because the Budget Committee is again scheduled early in the month compared to when Staff closes the books for the month.
- Staff will bring the fiscal year 2023 budget, along with the CIP, to next month's Board meeting and Budget Committee for review. Staff will provide Directors with an update regarding the FY 2023 budget over the next few days.
- Staff will also be speaking with the City to assess our financial status since we aren't likely to use the full subsidy the City had allocated to the Corporation even though we have many needs coming up in the near future.
- The reserve balance is approximately \$17 million and Staff projects a balance of \$19 million by the end of the year.
- The Corporation made the I-bank debt payment and expects full PPP loan forgiveness. Those payments will impact decisions on how the City decides to provide funding to the Corporation.
- Staff has reviewed the draft Facility Condition Report, but it has not yet been issued. During Budget review next month, the Committee will see that Staff has included some of the items that have come out of that Facility Condition Report. The Committee will have an opportunity to review the report thoroughly once it's actually published. The report will probably be presented at the April Board meeting. As you may recall, the report was originally delayed by approximately five months because the consultant could not access the facility during Operation Artemis.
- Staff is thrilled to be on a new ERP system and we'll be very happy in the next couple of months when we are able to produce more automated.
- Our IT department is also moving all of our systems over to Teams and Cloud based functions so our collaborations and similar functions should get easier as we continue to move forward with improving our technology.

**Directors Gattas and Cota moved and seconded, respectively, to authorize Acceptance of January Financial Reports from Chief Financial Officer.**

**Director Kim – Aye**  
**Director Cota – Aye**

**Director Gattas – Aye**  
**Director VanDiver –Aye**  
**Director Bradford – Aye**  
**Director Rodriguez-Kennedy – Absent**  
**Director Lai – Aye**

**Vote: Unanimous**

**AYES: 6                      NAYS: 0                      ABSTENTIONS: 0**

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.C.2.  
No members of the public responded to the request for comment.

**(2)      Authorization to Approve Contract for East Building Fire Alarm Improvements**

**Directors Gattas and Lai moved and seconded, respectively, to authorize Approval of Contract for East Building Fire Alarm Improvements at a cost of \$542,480 with an additional 7% contingency for unforeseen conditions.**

**Director Kim – Aye**  
**Director Cota – Aye**  
**Director Gattas – Aye**  
**Director VanDiver –Aye**  
**Director Bradford – Aye**  
**Director Rodriguez-Kennedy – Absent**  
**Director Lai – Aye**

**Vote: Unanimous**

**AYES: 6                      NAYS: 0                      ABSTENTIONS: 0**

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.C.3.  
No members of the public responded to the request for comment.

**(3)      Authorization to Approve Contract for Replacement of Dewatering Pumps in Remain Three Pump Stations**

**Directors Gattas and VanDiver moved and seconded, respectively, to authorize Approval of Contract for Replacement of Dewatering Pumps in Remain Three Pump Stations at a cost of \$96,840.17.**

**Director Kim – Aye**  
**Director Cota – Aye**  
**Director Gattas – Aye**  
**Director VanDiver –Aye**  
**Director Bradford – Aye**  
**Director Rodriguez-Kennedy – Absent**  
**Director Lai – Aye**

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**4. President's Report (Rip Rippetoe) – Mr. Rippetoe reported:**

- Mr. Rippetoe will be participating in a six-hour IAVM Executive Committee meeting today followed by an all-day meeting tomorrow. Mr. Rippetoe may also be tasked with representing the North American IAVM contingent at an international conference within the next few months.
- As you may recall, the Corporation co-founded the California Convention Center Coalition. Mr. Rippetoe will make a presentation on that subject tonight in Oceanside at the CalTravel Board meeting.
- Regarding the SDCCC Strategic Plan imperative update:
  - Grow and Nurture Culture:
    - The interim compensation philosophy has been established.
    - Staff continues to look at every position where we hire. We have a process where we look at the current market value so that we can support retention. Recruitment continues to be a big issue. We have close to 40 open positions and, in fact, are having to subsidize our public safety officers and even housekeeping at some shows with outside contractors because we don't have enough full or part-time employees to cover those positions.
    - SDCCC has not had a service failure, but recruitment is a challenge and probably will continue to be for the foreseeable future. So, we're still reviewing what we need to do with retention and recruitment.
    - The Corporation is down to our final two candidates for our Director of People and Culture. We had three candidates two days ago; however, one of them has already accepted another position. Job applicants accepting other offers continues to be one of the challenges. And so, one of our topics is: how can we recruit more quickly? During our current process, we tend to lose people. This is twice that a manager or above candidate has taken another job while we were in the middle of our interview process. That being said, we also don't want to make a mistake and hire someone that isn't compatible with our values and our strategic direction.
  - Develop a Facility Maintenance Improvement Program
    - We have hired our Director of Planning and Development.
    - We've been able to get the facility condition assessment draft so that we can review the information. Our team is in the midst of developing a preventative maintenance program. Sometime by the upcoming fiscal year, we hope to be able to have our CIP and the major Maintenance Program laid out so that we can begin implementing the program. You'll begin

seeing maintenance improvement figures incorporated within the budget that Mardeen discussed.

- Build Confidence for a Safe and Effective Reopening

- The Staff is compliant with vaccination and/or testing requirements. We met that requirement with the standards that we had established and we just received additional information on Friday that will help us look at what we want to do as we move forward.
- Staff needs to continue to adjust and be able to pivot as we address what's happening with the new variant and the different kinds of guidelines that come from the State with regard to mega events.
- Staff also committed to maintaining 80% of our current book citywide conventions. Between January and June of 2022, we've only lost two events along the way, which puts us well over 90%. In terms of that, although, from our perspective, losing one event is bad, but at least we're maintaining that KPI.

- Refine Business Model to Ensure Financial Viability

- Our fourth imperative required that we have a cost analysis completed on at least 10 events. Staff has built a procedure to perform that task over the past few months. Even before the strategic plan that was completed, Staff was working to complete those guidelines. Staff has had in depth discussions about how the Corporations should book more financially viable events rather than booking by bulk.
- This philosophy means our sales staff may be looking at a strategy that doesn't book events as far out into the future on the calendar. They may also be looking at the way we book the local consumer and smaller shows by establishing a criteria that if they're not economically beneficial, either for us, the community, or fill some kind of community need, then those shows may not be what we want in the building. Booking unprofitable shows also creates a problem for finding time to perform building maintenance within the next couple of years. Those maintenance windows are going to continue to be important to identify as the building fills with events.

- Engage the Community

- As Staff engages the community, we have been recognized by several community organizations. SDCCC has been nominated for a couple of recognizable community awards for the team's efforts and we are doing more with social media engagement and growth than ever before. SDCCC has received a lot of great positive media coverage.
- While engaging in the community, Staff is looking at opportunities to volunteer and participate in community functions. The SDCCC team has been instructed to complete our registration for the "Pride" event so that we can participate in the parade again. Staff is also looking at how we can bring together SDCCC, the Tourism authority, and others, so that we can have an

even bigger impact going forward as a hospitality community as we support the community. All of those initiatives are going well.

- In the future, Staff will be implementing a KPI type of scorecard. We'll complete that process within the next couple of months as we're going to be focused a great deal on budget in the upcoming weeks and months.
- Staff is scheduled to appear before the Council's ED and IR Committee at the beginning of March to provide an update on the industry and to review the pending Sales and Marketing Services agreement between SDCCC and SDTA that requires City approval.

At the conclusion of Mr. Rippetoe's report, Chair Kim stated: "This is a very challenging labor market, as everybody is aware, in terms of trying to attract talent and recruit talent onto our team. So, to the extent that we can, obviously, we need to go through our process of hiring, interviewing, and selecting, and being careful and thoughtful about who is looping onto our teams.

However, to the extent that we can, we also really need work hard to accommodate a tighter timeline, meaning, fewer days and gaps between interviews, or whatever has to happen, so that we don't lose talent or the opportunity to hire talent into our team. I think that would be beneficial for all of us to think about. So, if, to the extent that that's something that we can adopt as part of our process, I think that would be great."

5. **Chair's Report (Carol Kim)**

- The next Board meeting is March 23rd, 2022 at noon

6. **Board Comment [Govt. Code § 54954.2(a)(2)] – None**

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

8. **Closed Session:** The Board entered into closed session at 12:58 p.m. to discuss:

A. **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**  
**Initiation of litigation pursuant to Government Code section 54956.9(d)(4)**  
**(1 case)**

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

The Board returned to open session at 1:23 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed items “8A” and “8B, “ direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:24 p.m.

I, Shawn VanDiver, 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 23, 2022 and that said minutes were approved by the Board of Directors on March 23, 2022.

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Shawn VanDiver, Secretary

## **Agenda Item 3.B.2 and 3.B.3**

# **SAN DIEGO CONVENTION CENTER CORPORATION**

## **M E M O R A N D U M**

TO: Board of Directors

FROM: Jeff Gattas, Budget Committee Chair

DATE: For the Agenda of March 23, 2022

RE: Authorization to Approve Fiscal Year 2023 Proposed Budget and FY2023 CIP/Infrastructure and O&M Projections

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### **BACKGROUND**

The San Diego Convention Center Corporation's FY2023 budget will be considered for approval by the San Diego Convention Center Board of Directors on March 23, 2022. Since re-opening our doors to events in August 2021, our business and industry continues to see recovery from the COVID-19 pandemic. Although the more recent Omicron variant has had an impact on attendance for some events (and caused a small number of events to cancel out of an abundance of caution), demand to hold events is clearly strong as new bookings remain very active. Recently added to our line-up of FY2023 events was an event in April 2023, with food & beverage guarantees of \$1.35M and nearly 7,000 room nights. We anticipate continued improvement in attendance and bookings throughout FY2023, and near normal operations by FY2024 as vaccination rates increase, the number of positive COVID cases decrease, and COVID regulations diminish.

### **DISCUSSION**

The ending reserve balance for FY2022 is forecasted to be \$20,061,230 as of June 30, 2022. The San Diego Convention Center Corporation's FY2023 Proposed Budget produces an overall deficit of \$10,037,890 (prior to subsidy consideration) which includes Debt Service Obligations of \$1,689,740, and Capital Investment expense items of \$3,056,700. Corporation will be requesting a subsidy amount of \$3.65M from the City of San Diego (\$2.65M to fund the SDTA Contract and \$1M support CIP projects). Ending reserve balance for the FY2023 Proposed Budget is expected to be \$13,673,340 assuming City provides support as requested. SDCC will use the Operating Reserve to support operational shortfall expected to be (\$1,641,450) as well make the IBank debt payment and purchase operating and maintenance capital needs for a total reduction of \$6,387,890.

SDCC is scheduled to host 91 events in FY2023, including 69 primary events (65 Convention & Tradeshows, and 4 Corporate events). Actual primary events for pre-COVID years FY2018 & FY2019 were 67 and 64 respectively, which is indicative of returning customer demand for holding events, and a continuation towards "normal" operations. Barring further COVID variants that could affect the FY2023 Proposed Budget, FY2023 attendance is estimated at 768,527. Budgeted attendance for pre-COVID years FY2018 & FY2019 were 875,696 and 913,115 respectively.



FY2023 attendance is expected to remain lower than pre-pandemic levels at around 85%-90%, with full recovery anticipated for some time in FY2024.

FY2023 Proposed Budget Operating Revenues total \$37,184,360, which is \$16.2M higher than the COVID impacted FY2022 Budget. Compared to pre-COVID results, FY2023 Operating Revenues are expected to be higher than FY2018 actual operating revenues by \$1.7M, but lower than FY2019 actual operating revenues by \$5.5M. The increase in FY2023 Proposed Operating Revenues continues to reflect a return to normal business operations as meeting organizers and corporations develop a sense of confidence that events can be held and well attended. A continued increase in vaccination rates and reductions in the number of positive COVID cases will help continue this trend along with pent up demand to travel.

Offsetting some of the increase in revenue are increased expenses. Personnel costs are expected to increase by \$4.4M from the FY2022 Budget primarily due to the recalling of staff in support of increased event activity. Additionally, part of this increase is attributed to market salary adjustments and the creation of a new department for the coordination of capital improvements and maintenance projects. FY2023 Personnel costs are approximately \$3.8M and \$1.5M higher than the pre-COVID actual results from FY2018 and FY2019 respectively.

Non-Personnel costs for general building support, repairs & maintenance, insurance, travel and ancillary support costs increased from \$13.9M in FY2022 to \$17.0M for FY2023 (\$3.2M higher). This increase was mostly in support of critically required general building repair and maintenance costs, facility condition inspections, water intrusion projects, HVAC equipment needs, and increased utilities. FY2023 Non-Personnel costs are approximately \$3.7M and \$3.1M higher than the pre-COVID actual results from FY2018 and FY2019 respectively.

PPP Loan Forgiveness of \$6.4M will be completed by the end of FY2022 (no impact to the FY2023 Proposed Budget).

Debt service expenses for FY2023 are \$1.7M, matching the FY2022 Budget.

FY2023 Capital Investments for CIP and Operating Capital, Net of Debt are \$3,056,500 (an increase of \$742,450 from the FY2022 Budget). CIP projects total \$1,750,000 and will primarily focus on three projects:

- 1) (\$10,000,000+) West building roof replacement currently undergoing foundational engineering analysis and conceptual plans using a design-build contracting firm specialized in Energy Saving Contract financing. The roof financing mechanism is under review but is anticipated to cover the entire cost of the project.
- 2) (\$750,000) Replacement of an 1987 emergency generator beyond its useful life/economic repair
- 3) (\$750,000) Carpet replacement to match meeting rooms to common space carpet décor will complete the project started in 2019 that was deferred during the pandemic.



Operating and Maintenance capital projects total \$1,306,700 and are due primarily to several emergent items not previously identified, such as the replacement of damaged freight elevator doors, failing hot water pumps, variable frequency drives for the chiller units, and essential equipment items.

**STAFF RECOMMENDATION**

Staff recommends that the Board approve the FY2023 Proposed Operating and Capital expense Budget and the FY 2023 CIP/Infrastructure and O&M Projections.

\_\_\_\_\_/s/\_\_\_\_\_  
Jeff Gattas, Budget Committee Chair

**SAN DIEGO CONVENTION CENTER CORPORATION**  
**FY2023 BUDGET - PRELIMINARY**

Mar 11, 2022

10:08 AM

**City Support Request (\$3.65M):** \$2.65M to fund SDTA contract with additional \$1M for CIP projects (generator and Kitchen remodel)

**SDCC to fund \$7.065M from reserves**

Leaves \$13.7M target reserve balance at end of FY23

	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
<b>OPERATING REVENUES</b>					
Building Rent	\$9,150,620	\$9,598,717	\$8,044,900	\$8,966,390	\$8,290,720
Co-Promoted Events	22,489	0	0	0	0
Food & Beverage	10,173,665	13,207,127	4,908,320	11,790,680	11,226,140
Event Services	4,110,291	5,194,152	1,874,050	3,764,740	3,634,960
Utilities	5,902,621	7,292,141	3,246,150	6,558,200	6,247,170
Telecommunications	4,444,169	5,029,900	3,327,930	3,947,770	4,376,200
Audio & Visual	1,161,979	1,548,527	693,690	1,100,220	1,189,910
Business Development	180,000	394,650	448,000	876,100	890,000
Interest/Investment Income	165,690	279,158	-100,000	100,000	50,000
Other Revenues	124,469	139,233	61,260	80,260	85,300
<b>TOTAL OPERATING REVENUES</b>	<b>\$35,435,992</b>	<b>\$42,683,605</b>	<b>\$22,504,300</b>	<b>\$37,184,360</b>	<b>\$35,990,400</b>
<b>OPERATING INFLOWS</b>					
City of San Diego - Marketing	\$1,931,000	\$2,133,025	\$0	\$2,650,000	\$2,729,500
City of San Diego - Funding	1,505,000	0	6,000,000	1,000,000	8,000,000
SD Tourism Marketing District (TMD)	0	0	90,000	0	0
Emergency Intake Site	0	0	2,452,260	0	0
<b>TOTAL OPERATING INFLOWS</b>	<b>\$3,436,000</b>	<b>\$2,133,025</b>	<b>\$8,542,260</b>	<b>\$3,650,000</b>	<b>\$10,729,500</b>
<b>TOTAL REVENUES AND INFLOWS</b>	<b>\$38,871,992</b>	<b>\$44,816,630</b>	<b>\$31,046,560</b>	<b>\$40,834,360</b>	<b>\$46,719,900</b>
<b>OPERATING EXPENSES</b>					
Salaries & Wages - Full Time	\$12,664,027	\$13,191,411	\$13,484,970	\$15,289,590	\$16,287,470
Salaries & Wages - Part Time	4,011,802	5,056,427	3,413,160	4,668,190	4,861,750
Fringe Benefits	5,026,155	5,731,579	3,952,520	5,501,180	5,901,710
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$21,701,984</b>	<b>\$23,979,416</b>	<b>\$20,850,650</b>	<b>\$25,458,960</b>	<b>\$27,050,930</b>
General Expenses	\$2,319,133	\$2,570,368	\$1,295,690	\$1,972,740	\$4,379,400
Repair & Maintenance	2,885,991	2,703,164	3,175,630	4,795,260	5,034,970
Utilities	4,110,677	4,419,035	4,292,000	4,594,560	4,824,290
Contracted Services	874,749	971,723	909,050	1,538,520	1,070,390
Travel & Transportation	123,718	123,847	42,170	67,180	70,200
Insurance	347,613	366,467	606,610	683,230	717,390
Telecommunications	48,174	44,539	35,700	59,650	62,640
Sales & Marketing	2,082,600	2,184,609	1,934,860	2,702,310	2,784,340
Supplies	597,719	549,363	457,880	603,400	633,620
<b>TOTAL SUPPLIES &amp; SERVICES</b>	<b>\$13,390,374</b>	<b>\$13,933,116</b>	<b>\$12,749,590</b>	<b>\$17,016,850</b>	<b>\$19,577,240</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$35,092,358</b>	<b>\$37,912,532</b>	<b>\$33,600,240</b>	<b>\$42,475,810</b>	<b>\$46,628,170</b>
<b>NET OPERATING REVENUES / EXPENSES</b>	<b>\$3,779,633</b>	<b>\$6,904,098</b>	<b>-\$2,553,680</b>	<b>-\$1,641,450</b>	<b>\$91,730</b>
<b>EXTRAORDINARY GAIN ON DEBT FORGIVENESS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,387,000</b>	<b>\$0</b>	<b>\$0</b>

**SAN DIEGO CONVENTION CENTER CORPORATION**  
**FY2023 BUDGET - PRELIMINARY**

Mar 11, 2022

10:08 AM

**City Support Request (\$3.65M):** \$2.65M to fund SDTA contract with additional \$1M for CIP projects (generator and Kitchen remodel)  
**SDCC to fund \$7.065M from reserves**  
 Leaves \$13.7M target reserve balance at end of FY23

	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
<b>DEBT SERVICE EXPENSES</b>					
Interest Expense	\$572,190	\$414,177	\$836,100	\$806,980	\$776,800
Loan Admin Fee	0	70,125	69,690	67,440	64,910
Principal: Warehouse Lease	2,200	2,200	2,200	1,650	0
Principal: IBank Loan	731,970	783,200	785,470	813,670	842,880
<b>TOTAL DEBT SERVICE EXPENSES</b>	\$1,306,360	\$1,269,702	\$1,693,460	\$1,689,740	\$1,684,590
<b>CAPITAL INVESTMENTS</b>					
CIP - Infrastructure Projects	\$15,316,911	\$4,031,000	\$900,000	\$6,910,000	\$23,944,540
Debt Finance offset (IBank/Roof)	<b>-\$15,576,116</b>	<b>-\$1,468,610</b>	\$0	<b>-\$5,160,000</b>	<b>-\$14,950,000</b>
"O&M" Operating & Major Maintenance Capital items	\$0	\$0	\$1,050,302	\$1,306,700	\$1,312,000
<b>TOTAL CAPITAL INVESTMENTS (Net of Debt)</b>	<b>-\$259,205</b>	<b>\$2,562,390</b>	<b>\$1,950,302</b>	<b>\$3,056,700</b>	<b>\$10,306,540</b>
<b>NET OPERATING RESERVE IMPACT</b>	\$2,732,478	\$3,072,007	\$189,558	<b>-\$6,387,890</b>	<b>-\$11,899,400</b>

OPERATING RESERVE ACTIVITY	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
<b>Beginning Operating Reserve</b>	\$5,303,993	\$9,017,714	\$19,871,670	\$20,061,228	\$13,673,338
+ Net Operating Revenues / (Expenses)	3,456,716	6,904,098	<b>-2,553,680</b>	<b>-1,641,450</b>	91,730
+ PPP Loan Forgiveness	0	0	6,387,000	0	0
- Debt Service Obligation	<b>-2,200</b>	<b>-1,269,702</b>	<b>-1,693,460</b>	<b>-1,689,740</b>	<b>-1,684,590</b>
- Capital Investment (Net of Debt)	259,205	<b>-2,562,390</b>	<b>-1,950,302</b>	<b>-3,056,700</b>	<b>-10,306,540</b>
<b>Ending Reserve Balance</b>	\$9,017,714	\$12,089,721	\$20,061,228	\$13,673,338	\$1,773,938
Reserve Minimum Balance (8%)	\$2,990,000	\$3,080,000	\$2,989,110	\$3,132,124	\$2,792,167
Over / (Under) Reserve Minimum Balance	\$6,027,714	\$9,009,721	\$17,072,118	\$10,541,214	<b>-\$1,018,229</b>



## 10-Yr. CIP (Capital Infrastructure Projects)

PRIORITY	PROJECT DESCRIPTION	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Roof Planning and Design</b>						
1	Roof Engineering/Design Consultant - (Permitting, studies, solar analysis), the design-build, demo, construction West Building Roof (20% Contingency)	5,000,000	6,000,000 2,200,000	-	-	-
<b>Mechanical Systems: Central Plant Replacement (Based on TK1/Facility Assessment)</b>						
1	AHU's replacement/refurb		8,250,000	6,750,000	14,250,000	22,500,000
2	Boiler replacement (Kitchen \$40K, 2 Sail (\$60K each) - Sail may be funded as part of roof	160,000	-	1,292,000	-	-
2	Central Plant Pump replacement		-	55,000	600,000	267,000
2	Chiller replacement 1 & 2	-	2,640,000	-	-	-
2	Chillers replacement 3, 4 & 5	-	-	3,080,000	-	-
2	Chillers 3-5: Replace three large VFD's (\$300K each x 3)	-	970,840	-	-	-
2	Air Delivery System: Upgrade - Ballroom 20	-	223,700	-	-	-
<b>West Kitchen Remodel (needs to be done before Expansion demo of East kitchen)</b>						
2	West Kitchen Equipment: Remodel infrastructure	250,000	1,500,000			
2	West Kitchen: Remodel (Equipment Replacement)	-	2,210,000			
<b>Electrical Systems: Need consultant/inventory/assessment to further plan</b>						
2	Replace 1989 emergency generator & transfer system	750,000	-	-	-	-
<b>Elevator/Escalator</b>						
3	Elevators Recondition (5 front facing) + cameras	-	-	-	-	1,238,445
3	Inclined Elevator: Replace & rebuild	-	-	-	257,373	-
4	Freight Elevators: Recondition 3, 4, & 5 - East Building	-	-	-	-	-
4	Passenger Elevators: Modernization - B,C,1,2,6, and 7					
<b>Building Reconditioning Projects</b>						
2	in process Carpet Modernization - Meeting rooms	750,000				
2	ADA Interior Door Openings: Replace 31 sets - Sails, Kitchen, 20 foyer, li	-	-	250,000	250,000	-
2	Master Modernization (Paint) - Meeting Rooms	-	-	250,000	-	-
2	Resurface East Kitchen floors (waiting on expansion)	-	-		550,992	750,000

10-Yr. CIP (Capital Infrastructure Projects)

PRIORITY	PROJECT DESCRIPTION	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
3	Access points of entry upgrade	-	-	-	-	200,000
3	Concession stands: Retrofit A-C (\$100,000 each; 2 total) Others will be c	-	-	-	121,800	-
3	Front Drive East: Replace concrete	-	-	-	1,369,500	-
3	Move coffee service area to 20B corridor	-	-	-	796,040	-
3	Replace ceiling (Stewarding area)	-	-	-	-	1,090,000
3	Replace concrete at West Mezzanine Terrace	-	-	-	-	91,600
3	Replace underground fuel tanks (2)	-	-	-	-	134,784
3	Signage: Way Finding & Design	-	-	-	125,000	1,221,800
Roof (East) Replacement (Based on Assessment)						
1	East Building - Metal Roof	-	-	2,623,500	-	-
2	East Building Roof (Upper, Lower & Mechanical Wells)	-	-	4,560,700	-	-
2	East Building Roof (20% Contingency)	-	-	1,436,800	-	-

Total Capital Infrastructure Projects

Funded from Debt/Loan

\$	6,910,000	\$	23,994,540	\$	20,298,000	\$	18,320,705	\$	27,493,629
	5,160,000		14,950,000						
	1,000,000								
	750,000								

1=Emergency, Health/Safety/Mandates

2=Frequent Problems/expired useful life/impacts revenue generation or increases costs

3=Public Demand/Benefit, Client facing and synergy with other projects/Purchasing Power

4=Planned replacement with avail funding

# 10-Year (Operating Capital Equipment) - As of 03/09/22

PRIORITY	PROJECT DESCRIPTION	FY 2022 Budget	FY 2022 Forecast	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	Broiler - Kitchen Equipment (East Kitchen)	30,000	Deferred	30,000				
1	Glassware Dish Machine (East Kitchen)	45,000	Deferred	80,000				
Emergency	Dewatering Pumps (Sloan) - Pit3	0	30,000					
1	Dewatering Pumps (Sloan) - Pit1, Pit2, Pit4	0	90,000					
Emergency	Retubing (Cleaver Boiler #1 - main building)	0	56,000					
Emergency	Lockinval Boiler (RF MacDonald)	0	29,267					
Emergency	Radiator Replacement & Repair (Bay City)	0	60,035					
2	Ansul (fire hood) - West Kitchen (wait for remodel?)	81,250	Deferred					
New - 1	Tilt skillets (w/electrical)		60,000					
2	Barometric Damper controls (Albireo)	58,000	Deferred	58,000				
2	ERP Conversion (Event MGT. / Finance software system replacement)	200,000	200,000					
2	Injector Pumps, Controls & Alarms: Replace - P2 South (Cityside)	150,000	Deferred	150,000				
New - 2	ERP Phase II (dashboards/automation)							
New - 2	ERP Labor Management Upgrade (Implementation & 1st year services for PEPM, timeclocks, dimension, some custom reporting)			150,000				
New - 2	Development of a CMMS Program **New Item				100,000	200,000		
Reclass	Fire Life Safety program (smoke detector replacement, strobes, announcement)		525,000	100,000				
New - 2	VFD Drives & Motors (phased replacement - 10yr lifespan, pump/AHU/chiller)			192,700				
New - 2	Freight Elevator Doors N & O Replacement (CCTV cameras on Freight Elevators put in D12 FF&E as placeholder. Scott not involved in CCTV software)			100,000				
New - 2	Hot water pumps (3) replacement and addition of VFDs *DB				225,000			
New - 4	Re-Key Building ASSA Abloy CLIQ system							
2	Bobcat SkidSteer S590 with bucket, grapple bucket, excavator, stump grinder attachment			95,000				
2	15' personnel lift - motorized			40,000				
3	Carpet Vacuum (to replace sweeper)			50,000		55,000		
3	Robotic Vacuum 1 - Manufacturer/model TBD							
3	Sweeper, Large ride on, Temant S30			39,000				
2	40' Scissor Lift			80,000				
2	New Walk-in Fridge (plate storage room)				120,000			
2	Public Safety System - (Speakers, AMP, controls)						1,049,369	
2	Redundant Cooler for Rack System in server room - wait for Measure C vote						250,000	
2	Walk thru metal detectors (need to do ROI on lease/purchase)						100,000	
4	Air Wall Trolleys: Replace - East Mtg Rms (Re-evaluate with Expansion)							340,000
2	Air Wall Trolleys: Replace - Exhibit Halls A-C							
4	Air Wall Trolleys: Replace - West Mtg Rms 1-19			475,000				397,500
2	Replace East Meeting Rooms Ballroom 6 (Re-evaluate with Expansion)			0				
3	Replace East Meeting Rooms Ballroom 20 (Re-evaluate with Expansion)			250,000		250,000		
4	East Dock Entrance & Exit Roll-up Doors: Replace							
3	Kitchen Stackler system with shelving equip warehouse				40,000			
3	Sewer: Injector Pumps, Controls & Alarms: Replace - P2 North							89,000
3	Telescopic Seating Riser System 5,000						1,300,000	
3	West Dock Roll-up Door Entrance							
4	40' Boom Lift: Replace						41,000	
4	Air-blades Hand Dryers: Plans, permitting, install tie/drywall refinishing					198,000		

10-Year (Operating Capital Equipment) - As of 03/09/22

PRIORITY	PROJECT DESCRIPTION	FY 2022 Budget	FY 2022 Forecast	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
4	Flooring: Rubberized replacement						858,001	
4	Sewer: Injector Pumps, Controls & Alarms: Replace - P1 North						0	
4	Triplex Lawnmower						42,000	
4	Yale Electric Forklift with Charger				44,000			
4	Yale Electric Forklift with Charger							
<b>Total Operating Capital Projects</b>		<b>564,250</b>	<b>1,050,302</b>	<b>1,306,700</b>	<b>1,312,000</b>	<b>703,000</b>	<b>3,640,370</b>	<b>826,500</b>

1=Emergency, Health/Safety/Mandates

2=Frequent Problems/expired useful life/impacts revenue generation or increases costs

3=Public Demand/Benefit, Client facing and synergy with other projects/Purchasing Power

4=Planned replacement with avail funding

**SAN DIEGO CONVENTION CENTER CORPORATION**  
**M E M O R A N D U M**

**TO: Board of Directors**

**FROM: Jeff Gattas, Budget Committee Chair**

**DATE: For the Agenda of March 23, 2022**

**RE: Authorization to Award Contract for Talent Acquisition Consulting**

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BACKGROUND

In April 2020, due to uncertainty of the COVID-19 pandemic, Corporation reduced staffing levels with multiple rounds of layoffs ensuing over the course of a year, ultimately reducing staffing levels by 60% at the lowest point. As the job market continues towards recovery and with the industry suffering from instability, rebuilding the teams has remained a significant challenge.

DISCUSSION

The Corporation needs to develop a long-term strategy to attract talent and retain existing teams. Talent shortages, recruiting efforts and management vacancies continue to hinder the People & Culture Department from rebuilding and getting ahead of staffing shortages to service client needs. Late last year, Staff retained the human resources consulting firm Forward Talent Strategies (FTS). FTS has been facilitating and coordinating a restructure plan to rebuild the People & Culture team over the past few months. Attrition and turnover outpace the hiring and onboarding efforts. With the pressure of large shows to service on the horizon, staff need to fill over 100+ positions within a short time-frame and do not have enough resources to complete the process.

FTS recommended staff consider partnering with Ignite Human Capital (IHC) to assist with talent acquisition and strategies to build a roadmap for the recruiting processes. Through high-quality recruiting channels, IHC will provide resources to solve talent shortages while helping find long-term candidate pools and recruiting avenues for SDCCC. They have their own staffing firm to support direct hire searches focused on high volume/high demand roles like cleaning and security positions. IHC will review internal processes and systems to provide assurance that staff have the best tools to achieve results in the market while concurrently providing additional recruiting support to enhance efforts.

IHC offers direct placement services for management level or specialized roles through a highly experienced team dedicated to implement direct marketing campaigns with interview and screening processes to reach the best possible candidates. Staff have identified a few positions that would benefit from a direct campaign strategy such as this to fill open positions (e.g. HRIS, HR management positions, Risk Management, Trades Supervisor).



Staff recommends engaging with Ignite Human Capital to utilize all available talent acquisition channels immediately. The breakdown of cost estimates would require:

- Talent Consulting (Mid-level support): 20 hrs/week, 12 weeks @ \$67.60/hr = \$16,704  
*(Delivers recruiting help for positions across junior to mid-level, high volume)*
- Talent Consulting (Jr. level support): 20 hrs/week, 12 weeks @ \$39.00/hr = \$9,360  
*(Delivers recruiting help for positions across junior level, high volume)*
- Talent Manager (Strategic/Systems support): 10 hrs/week, 8 weeks @ \$150.00/hr = \$12,000  
*(Delivers recruiter training, talent strategy, systems review, compensation review)*
- Direct hire (Contingent search): 21% placement fee of Annual Salary

#### STAFF RECOMMENDATION

Staff recommends that the Board approve authorizing award of a talent acquisition contract to Ignite Human Capital for a not-to-exceed value of \$150,000.00 for recruitment services.

/s/  
Jeff Gattas, Budget Committee Chair

**Agenda Item 3.B.5**

**SAN DIEGO CONVENTION CENTER CORPORATION  
M E M O R A N D U M**

**TO: Board of Directors**

**FROM: Jeff Gattas, Budget Committee Chair**

**DATE: For the Agenda of March 23, 2022**

**RE: Authorization to Contract for Repairs to Chiller #1.**

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**BACKGROUND**

The San Diego Convention Center's heating, ventilation, and air conditioning (HVAC) systems are essential for providing thermal comfort to all occupants. Among the equipment supporting this complex HVAC system are chillers to provide cooling. Recently Chiller #1 experienced a failure in the variable frequency drive (VFD) that supports it, leaving Chiller #1 out of service.

**DISCUSSION**

Staff anticipates replacing Chiller #1 in FY24. In the meantime, Staff conducted an evaluation of options prioritizing the necessity to provide cool air to events during the coming summer months.

Staff determined the most viable options were to replace the failed VFD in like kind with a new one or alternatively install a soft starter. During the evaluation, Staff obtained proposals for both options. Below is a summary of estimated costs:

<b>Contractor</b>	<b>Cost for Replacing VFD</b>	<b>Cost for Installing Soft Starter</b>
ACCO Engineered Systems	\$238,234.00	\$212,915.00
Jackson & Blanc	\$275,000.00	\$143,000.00
Sloan Electromechanical	N/A	\$72,156.29

Balancing the fact that Staff anticipates Chiller #1 will be replaced in FY24 and modern chillers typically have VFDs integrated into them (as opposed to our VFDs that were installed separately years after the chiller installation), Staff recommends proceeding with replacing the VFD with a soft starter. Staff recommends award of a contract to Sloan Electromechanical for \$72,156.29 with an additional 10% (\$7,215.63) contingency for unforeseen conditions.

**STAFF RECOMMENDATION**

Recommend authorization to approve contract with Sloan Electromechanical for \$72,156.29 with 10% contingency.

\_\_\_\_\_/s/  
Jeff Gattas, Budget Committee Chair



**CONTACT:** Andy Mikschl, *Executive Vice President, Sales, San Diego Convention Center*  
 Andy.mikschl@visitsandiego.com | 111 West Harbor Dr., San Diego, CA 92101  
 619.525.5282

### SHORT TERM BOOKING ACTIVITY

*Conventions, Corporate Events, Consumer Shows, Community Events, & Local Meetings*

DEFINITE		FY22 FEBRUARY 2022	FY21 FEBRUARY 2021	CUMULATIVE FYTD 2022	CUMULATIVE FYTD 2021
	EVENTS	7	2	39	15
	ATTENDANCE	9,712	208	85,463	55,158
	ROOM NIGHTS	360	0	9,244	1,429
	RENTAL REVENUE	\$83,310	\$4,400	\$840,592	\$367,865

### FY22 PERCENT TO GOAL

*Convention Center Rental Revenue*

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$1,500,000	\$840,592	56%

# San Diego Convention Center Short Term Sales March 2022Sales Activity Report

## CONTRACTED SHORT TERM EVENTS/ FEB 2022

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Vectrus Meeting Room ICW/ WEST 2022	02/16/22	12	0	0	\$600
Supplybank.org School Supply Kit Build	04/09/22	500	0	0	\$9,360
The Prego Expo	04/24/22	800	0	0	\$12,750
San Diego Zoo Wildlife Alliance Meeting	05/02/22	2,000	0	0	\$11,200
IWRP Quarterly Industry Day	06/07/22	400	30	60	\$6,900
IR Show Fall 2022	08/02/22	1,000	100	300	\$25,500
San Diego Spring Home Show	01/07/23	5,000	0	0	\$17,000
TOTAL		9,712		360	\$83,310



## San Diego Convention Center Short Term Sales March 2022 Sales Activity Report

### CONTRACTED SHORT TERM EVENTS/ FY22 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Electrical Training Institute Graduation	09/17/21	600	0	0	\$7,560
SD County Taxpayers Annual Golden Watchdog	10/06/21	500	0	0	\$3,240
Athletic Championships/Varsity Spirit	12/17/21	5,000	320	800	\$25,800
Encore Championships SD Showdown	02/18/22	8,200	320	800	\$33,200
CA Bridal & Wedding Expo 2021	04/30/22	5,000	0	0	\$7,700
Celebration of Life for Father Joe Carroll	08/09/21	500	0	0	\$8,720
So CA Level 3,4,5 Gymnastics Championships	11/19/21	3,000	0	0	\$14,800
SD Spirit Royale / Spirit Network	01/22/22	3,500	0	0	\$22,600
Millenials Film Shoot	09/29/21	10	6	10	\$4,000
San Diego Community Assist ICU Awards	10/23/21	250	0	0	\$1,500
The IR Show Winter 2022 / Simple Logic	01/31/22	500	100	300	\$49,800
Level 6-10 State Gymnastics Championships	03/25/22	3,000	0	0	\$15,400
X-Stem San Diego / Science Spark	04/18/22	1,600	0	0	\$10,400
San Diego Symphony Orchestra Board Dinner	11/01/21	110	0	0	\$3,240
CREtech San Diego 2022	03/22/22	1,200	200	500	\$46,437
Inside Quantum Technology 2022	05/10/22	300	50	250	\$18,900
Ameriprise Financial National Conference 2022	05/12/22	2,800	1,420	4,260	\$131,550
BPI West 2023 / Informa Connect	02/27/23	400	250	750	\$66,460
Warrior Expo West 2023 / ADS	04/05/23	5,000	275	575	\$45,600
Spirit Royal Showdown/ The Spirit Network	12/11/21	3,000	50	100	\$18,400
Sidecar Health Meeting ICW NAIC	12/12/21	6	0	0	\$1,150
Bridal Bazaar Fall 2022	08/21/22	2,000	0	0	\$11,300
San Diego Fall Home Show 2022	09/10/22	5,000	0	0	\$17,000
AKC Meet the Breeds 2022	09/10/22	10,000	90	180	\$39,200

San Diego Convention Center Short Term Sales March 2022Sales Activity Report

**CONTRACTED SHORT TERM EVENTS/ FY22 YTD (CONT)**

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Alliance of Health Care Sharing Ministries	12/12/21	15	0	0	\$1,725
Panasonic Sales Meeting	01/25/22	10	0	0	\$1,800
San Diego Tattoo Arts Festival	08/05/22	4,000	0	0	\$38,190
Navy Gold Coast Small Business Opportunity Conference	09/06/22	1,700	125	300	\$53,600
Fully Charged Live North America 2022	09/08/22	8,000	0	0	\$28,250
ASYS Group Americas Sales Mtg/ IPC APEX	01/24/22	40	0	0	\$600
Nano Dimension/Essemtec icw/ IPC APEX	01/25/22	10	0	0	\$1,800
Yugioh! Regional Qualifier/Core TCG	04/30/22	500	0	0	\$3,360
Vectrus Meeting Room ICW/ WEST 2022	02/16/22	12	0	0	\$600
Supplybank.org School Supply Kit Build	04/09/22	500	0	0	\$9,360
The Prego Expo	04/24/22	800	0	0	\$12,750
San Diego Zoo Wildlife Alliance Meeting	05/02/22	2,000	0	0	\$11,200
IWRP Quarterly Industry Day	06/07/22	400	30	60	\$6,900
IR Show Fall 2022	08/02/22	1,000	100	300	\$25,500
San Diego Spring Home Show	01/07/23	5,000	0	0	\$17,000
<b>TOTAL</b>		<b>85,463</b>		<b>9,244</b>	<b>\$840,592</b>





## PRIMARY MARKET

*Conventions, Trade Shows, Corporate & Incentive Events*

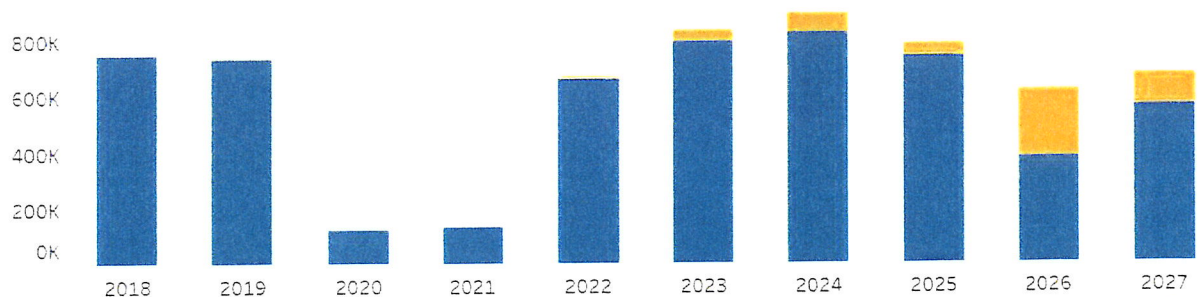
DEFINITE	FUTURE YR BOOKINGS	FEBRUARY 2022	FEBRUARY 2021	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
	CONVENTIONS	3	0	22	10	23
	ATTENDANCE	10,500	0	145,200	62,000	197,775
	ROOM NIGHTS	16,807	0	277,970	125,300	219,414
TENTATIVE	FUTURE YR BOOKINGS	FEBRUARY 2022	FEBRUARY 2021	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
	BOOKINGS	7	6	55	39	60
	ATTENDANCE	139,900	44,781	570,500	263,981	757,700
	ROOM NIGHTS	125,754	54,353	633,636	479,162	1,382,707

## FY2022 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
DEFINITE TOTAL ROOM NIGHTS	277,970	125,300	219,414
VARIANCE COMPARED TO FY2019	+27%	-43%	
TENTATIVE TOTAL ROOM NIGHTS	633,636	479,162	1,382,707
VARIANCE COMPARED TO FY2019	-54%	-65%	

## ROOM NIGHT SUMMARY

*Figures based on calendar year.*



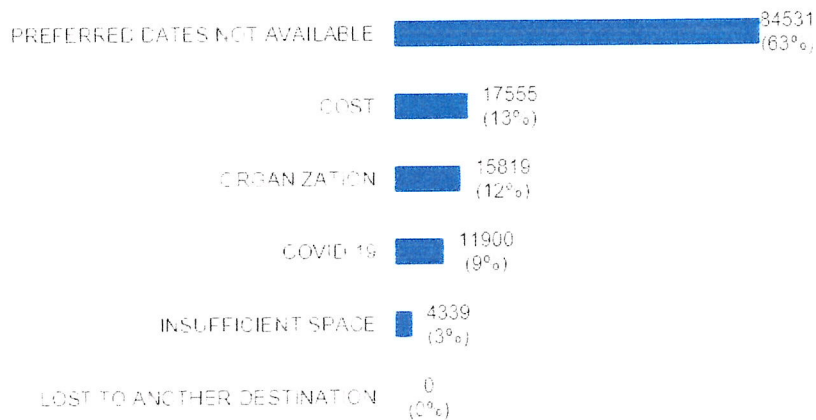
Tentative Room Nights					7K	37K	62K	47K	203K	111K
Definite Room Nights	746K	712K	120K	144K	657K	792K	825K	775K	503K	560K
Definite Conventions	43	57	14	12	51	47	44	32	24	24

**DEFINITE EVENTS BREAKDOWN***Conventions, Trade Shows, Corporate & Incentive Events booked in February 2022*

Account Name	Event Begin Date	Event End Date	Peak Room Nights	Estimated Attendance	Definite Room Nights
MH Live Events, LLC/FETCH dvm360	11/29/2022	12/5/2022	800	5,000	3,065
The Institute of Electrical and Electronics Engineers, Inc	4/12/2023	4/14/2023	1,500	1,500	4,650
Alzheimer's Association	7/28/2028	8/3/2028	1,800	4,000	9,092
<b>Total</b>			<b>4,100</b>	<b>10,500</b>	<b>16,807</b>

**BREAKDOWN OF LOST BUSINESS***Conventions, Trade Shows, Corporate & Incentive Events*

LOST ROOM NIGHTS 134K

**PLANNING MEETINGS***Conducted in February 2022 by Client Services for future Definite Events*

Account Name	Event Begin Date	Event End Date	Estimated Peak Room Nights	Estimated Attendance	Estimated Room Nights
Optica	3/3/2022	3/12/2022	3,500	7,500	14,917
National Business Aviation Association	4/1/2022	4/10/2022	2,335	2,100	3,687
American Planning Association	4/27/2022	5/4/2022	1,650	3,300	5,980
American College of Obstetricians & Gynecologists	5/2/2022	5/11/2022	2,525	6,000	9,275
Family Career and Community Leaders of America	6/26/2022	7/3/2022	2,900	5,400	17,057
AVID Center	6/27/2022	6/29/2022	2,927	4,700	9,129
Environmental Systems Research Institute	7/10/2022	7/14/2022	5,782	12,000-14,000	29,759
AVID Center	7/26/2022	7/29/2022	2,927	4,600	9,129
Transplant Games of America	7/27/2022	8/4/2022	2,300	6,000	14,200



**PLANNING MEETINGS***Conducted in February 2022 by Client Services for future Definite Events*

Account Name	Event Begin Date	Event End Date	Estimated Peak Room Nights	Estimated Attendance	Estimated Room Nights
Global Business Travel Association	8/9/2022	8/19/2022	4,000	2,800	17,000
American College of Surgeons	10/10/2022	10/20/2022	5,310	7,600	22,436
Specialty Tools & Fasteners Distribution Association	10/27/2022	11/2/2022	1,500	4,000	4,780
Solid Waste Association of North America	12/3/2022	12/8/2022	950	1,000	2,700
Deloitte Touche Tohmatsu Limited	12/6/2022	12/16/2022	6,602	7,000	20,924
Chick-fil-A, Inc	1/6/2023	2/2/2023	5,375	9,500	20,276
The Institute of Electrical and Electronics Engineers, Inc/Microwave Theory and Techniques Society	6/8/2023	6/16/2023	3,000	12,000	15,180
Society for Human Resource Management	6/25/2025	7/3/2025	13,000	18,000	49,790

**SITE INSPECTIONS***Conducted in February 2022 by Client Services for clients considering San Diego*

Account Name	Event Date	Estimated Peak Room Nights	Estimated Attendance	Estimated Room Nights
Veterinary Emergency and Critical Care Society	Sept 2025	1,275	4,200	6,001

**CLIENT APPOINTMENTS**

- AB MEDIA INC./AQUA LIVE
- AFCEA INTERNATIONAL
- AMERICAN ACADEMY OF PEDIATRICS
- AMERICAN COLLEGE OF SURGEONS
- AMERICAN INSTITUTE OF CHEMICAL ENGINEERS
- AMERICAN SOCIETY OF CATARACT & REFRACTIVE SURGERY
- AMERICAN SOCIETY OF HEMATOLOGY
- DELOITTE TOUCHE TOHMATSU LIMITED
- ENTERPRISE EVENT GROUP
- GEORGE P JOHNSON/ CISCO, ADOBE, CHARLES SCHWAB, WORKDAY, SALESFORCE
- GOOGLE NEXT
- HILTON GLOBAL SALES
- HPN GLOBAL
- INTERNATIONAL CARWASH ASSOCIATION
- INTERNATIONAL FRANCHISE ASSOCIATION
- MARRIOT GLOBAL SALES
- MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
- NACHA: THE ELECTRONIC PAYMENTS ASSOCIATION
- NATIONAL SCHOOL BOARDS ASSOCIATION
- NORTH AMERICAN SPINE SOCIETY
- OMNI GLOBAL SALES
- PCMA
- SOCIETY OF THORACIC SURGEONS
- SPIE
- TRANSPLANT GAMES OF AMERICA
- VETERINARY EMERGENCY & CRITICAL CARE SOCIETY

## INDUSTRY APPOINTMENTS

- CALIFORNIA TRAVEL ASSOCIATION: CALIFORNIA COMEBACK TASK FORCE MEETING
- CORPORATE EVENT MARKETING ASSOCIATION/CEMA-SWIRL
- CONVENTION REPRESENTATIVES OF THE WEST COAST GROUP-ALL TEAM MEETING
- CONVENTION REPRESENTATIVES OF THE WEST COAST GROUP-MARKETING MEETING
- CVB REPS QUARTERLY MEETING
- DC EVENT VENUE SELECTION
- DESTINATION REPS MEMBER AND COMMITTEE MEETINGS; MARIA ANDRIOLA-SPEAKER
- PCMA - WOMEN IN LEADERSHIP
- PCMA ANNUAL TOWN HALL; ANGIE RANALLI-SPEAKER
- PCMA GREATER MIDWEST CHAPTER MEETING; ANGIE RANALLI-SPEAKER
- PCMA LEADERSHIP TEAM TOWN HALL
- SAN DIEGO CUSTOMER TOWN HALL
- SAN DIEGO HOUSING UPDATE TOWN HALL
- SAN DIEGO/CHICAGO MARKET PARTNER OUTREACH- BETTER TOGETHER; MARIA ANDRIOLA, ANGIE RANALLI-SPEAKERS
- VISIT SAN ANTONIO

## Agenda Item 4

**San Diego Convention Center Corporation**  
Strategic Direction, March 2022 Quarterly Report



### FY22 Progress: Grow and Nurture Culture

KPI	Department Tracking	Goal	Status
1.1 Date interim compensation philosophy established.	People and Culture	By 12/31/21	Goal achieved; planning continues for long-term philosophy.
1.2 Percentage of positions compensated within current market range.	People and Culture	100%	Goal achieved.
1.3 Percentage of recruitment cycle time targets achieved.	People and Culture	>80%	In process.
1.4 Date recruitment begins for known People and Culture vacancies.	People and Culture	By 1/1/22	Recruitment underway.
1.5 Date all People and Culture positions filled, including known vacancies and those of additional support staff.	People and Culture	By 6/30/22	One position filled as of 3/22. Three more positions to fill by 6/30/22.
1.6 Date employee survey results assessed; goals set for FY23 & FY24.	People / Comms	By 6/30/22	In process.

**Summary:** To support and signify the increased emphasis on our workplace culture, we rebranded the HR department as the "People and Culture" department and discussed this focus during a series of team town halls. Working closely with Forward Talent Strategies, we have been recruiting a new Director of People and Culture and identified the immediate need for a People and Culture Manager and HRIS Manager as key positions to rebuild the department. Once the new Director has started, focus will begin on developing the employee surveys and building a training program during FY23/FY24.

Recruitment has been a significant challenge in this competitive labor market. Staff anticipate contracting with a professional Talent Management Company to bolster efforts and provide necessary resources to fill critical positions by May. We have boosted our recruitment marketing efforts through online ads, print materials, and presence at community job fairs. To aid employee retention, we used a compensation research database to complete a thorough review of all positions and adjust salaries to be at market rate. We are continuing to develop the long-term compensation philosophy with focus on reviews, benchmarks, performance measurements, and market conditions.



## FY22 Progress: Develop a Facility Maintenance and Improvement Program

KPI	Department Tracking	Goal	Status
2.1 Hire date of Director of Planning and Development.	Procurement	By 12/31/21	Victoria Mitchell hired 12/13/21.
2.2 Date Facility Condition Assessment completed.	Procurement	By 12/31/21	Draft received, pending finalization.
2.3 Date Preventative Maintenance Program developed.	Procurement	By 3/31/22	Not yet completed.
2.4 Date Capital Improvement and Major Maintenance Program developed.	Procurement	By 6/30/22	In process.

**Summary:** The imperative for building maintenance and improvement falls into two segments of the lifecycle.

**Planning and Development Projects:** Once existing assets near end of useful life or additional assets are needed, the Planning and Development team plans for and oversees construction management projects to ensure successful completion. The assets are then commissioned and maintained by the Preventative Maintenance team. Progress:

- Hired Victoria Mitchell as Director of Planning and Development.
- Expedited recruiting for a Project Engineer. Offer extended, candidate pending background.
- Facility condition assessment draft completed, pending finalization.

**Preventative Maintenance:** Periodic inspections, maintenance, and routine repairs of our assets and building. This portion of the lifecycle is focused on maintaining what we already have during its useful life. Progress:

- Facilities team continues to handle the preventative maintenance functions at an operational level.
- Internal discussions occurring on long-range strategy and direction of the preventative maintenance function.
- Staff will begin to augment with additional technical expertise and bandwidth in the near-term. Currently identifying necessary positions.
- Preventative Maintenance Program deferred until preventative maintenance leader identified to ensure consistent vision and clarity.

## FY22 Progress: Build Confidence for a Safe and Effective Reopening

KPI	Department Tracking	Goal	Status
3.1 Percentage of staff compliant with vaccination and/or testing requirements.	People and Culture	100%	100%
3.2 Percentage of citywide conventions and other major revenue-generating events retained (including rescheduled events) among those booked January to June 2022.	Sales/Events	>80%	Goal met; we have retained more than 90% of events booked for this time period.

**Summary:** We have continued to implement and monitor COVID-19 health and safety protocols, in alignment with local, state and federal requirements. All staff are complying with vaccination and/or testing requirements.

For conventions and meetings booked between January and June 2022, we have successfully retained more than 90% of those events. Attendance has been steadily building as consumer confidence builds and travel restrictions lift.

We continue to focus on booking strategies and our operational resources to service clients based on post-pandemic needs. As we face staffing challenges, we continue to look for ways to maintain excellent customer service while producing efficiencies to streamline operations. Examples of ways to implement change include: standardizing room sets to reduce turnover costs for both clients and our corporation; evaluating rental rates and contract strategies to ensure we remain competitive; and standardizing food & beverage minimum requirements before giving rental discounts.

Now that we have been successfully open for event activity for more than seven months, since August 2021, staff recommend combining this Reopening imperative with the Business Model imperative. With this focus, we will continue to strategize how to generate greater regional impact while maintaining operational solvency and growing our internal business partner revenues.



## FY22 Progress: Refine Business Model to Ensure Financial Viability

KPI	Department Tracking	Goal	Status
4.1 Number of events analyzed for actual costs of services provided.	Executive Team	>10	Analysis in process.
4.2 Percentage of strategic direction KPIs established for FY23 and FY24.	Executive Team	KPIs developed for 100% of imperatives	Planning in process; draft KPIs to be shared with Executive Committee in May 2022.

**Summary:** Sales and Finance continue to look at pre-pandemic event attributes to determine high quality events to sharpen our focus on future bookings.

We have identified some common elements that make for premium bookings of short-term business, including room nights, attendance, food and beverage commitment, tech-focused shows, consumer shows and local trade shows of at least two days that bring local attendees to the convention center. The Sales team started booking based on this criteria over the past year and continues to polish these strategy attributes. In addition, staff is beginning to implement a revised ancillary pricing model to help increase incremental short-term revenue from event activity. We are also developing new booking policies regarding the rental structure for both long-term and short-term events, specifically related to complimentary meeting room allotments and food and beverage incentives. These policies will help grow overall revenues, leading to a more sustainable long-term business model.

To guide future operations, staffing, and budgeting, our strategic planning working groups are developing KPIs and initiatives for the next two years, FY23 and FY24. These strategic plan components will be shared at upcoming board meetings to ensure our staff and board members are aligned as we further refine our business model and focus areas.

## FY22 Progress: Engage the Community

KPI	Department Tracking	Goal	Status
5.1 Year-over-year social media engagement growth.	Communications	>10%	Goal achieved.
5.2 Number of media outlets covering positive SDCC initiatives.	Communications	>10	Goal achieved.
5.3 Presentations or panel discussions with SDCC team participation.	Communications	>12	On track; 7 presentations or panels held to-date.
5.4 Number of collaborative community activities with SDCC team participation.	People / Comms	>10	On track; team participated in 7 community activities to-date.

**Summary:** In summer 2021, we collaborated with our customers and civic/community partners to launch a reopening communications campaign. With a press conference, press releases/pitches, and social media promotion, we earned coverage from more than 10 media outlets and generated robust public support.

Online engagement peaked in November 2021 with the return of Comic-Con for a Special Edition event. Social media engagement increased by more than 400% when compared to the previous six months, primarily due to Comic-Con excitement.

During this period, we also strengthened community relationships and involvement. We hosted Mayor Todd Gloria's 2022 State of the City address, participated in volunteer activities such as Operation Clean Sweep, earned several community awards (e.g., LEAD San Diego Visionary Award), and joined a group of San Diego organizations in lighting our building in support of different community causes.

In January 2022, Juan Reyes started as our new Director of Government and Community Affairs. Juan is gathering staff, partner, and community input to help guide plans for volunteer activities and events.