

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

**WEDNESDAY, FEBRUARY 22, 2023, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

**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 – Carlos Cota, 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. Presentations:

A. Introduction of Sodexo Live! Global Representatives

B. Presentation re: TMD Annual Report

4. Board Committee Reports and Board Action Items

Consent Agenda:

A. Approval of Minutes of Board Meetings of February 1, 2022

B. Authorization to Ratify (Unbudgeted) Capital Purchase of Wheel-Chair Lift

Action Item(s):

C. Budget Committee (Shawn VanDiver)

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

(2) Authorization to Renew Marshalling Yard Lease

(3) Authorize Fire Alarm Inspection & Maintenance Agreement

5. President's Report (Rip Rippetoe)

6. Chair's Report (Carlos Cota)

7. **Board Comment** [Govt. Code § 54954.2(a)(2)]
8. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2)

Adjournment

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language, oral interpreter, an Assistive Listening Device ("ALD"), or other reasonable accommodation for the meeting, please call Pat Evans at (619) 525-5131 at least two working days prior to the meeting to ensure availability. **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.**

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. 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 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 4.A

MINUTES* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS

BOARD MEETING OF FEBRUARY 1, 2023 Via Teleconference

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

BOARD MEMBER(S) ABSENT: Director Will Rodriguez-Kennedy

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

ALSO PRESENT: Jennifer Lyon, General Counsel

*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 Carol Kim called the Board Meeting to order at 12:10 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:

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

All Directors were recorded as present except Director Rodriguez-Kennedy. 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 non-Agenda items. No members of the public responded to the request for comment.

3. **Passing the Gavel:** Chair Kim commented on her many positive experiences serving as the Convention Center’s 2022 Board Chair. Chair Kim then passed the gavel to Chair-Elect Carlos Cota. Chair-Elect Cota thanked Chair Kim for her service and presented her with “Chair gift” from the Board. Chair Cota then resumed the Board meeting.

Director Rodriguez-Kennedy joined the meeting at 12:16 p.m.

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

Consent Agenda:

Chair Cota inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Cota then inquired if any member of the public wished to comment on Agenda Item (4.A). No members of the public responded to the request for comment.

A. **Approval of Minutes of Board Meeting December 14, 2022.**

Directors VanDiver and Rodriguez-Kennedy moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Abstain
Director Rodriguez-Kennedy – Aye
Director Turowski – Aye**

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 1

Chair Cota received a request from Staff to remove Agenda Item 4.B.2, “Authorization to Renew Marshalling Yard Lease,” from the agenda. Staff cited a “change in circumstances regarding the request which entailed additional vetting of the item” as the reason for the request for removal of item 4.B.2 from the agenda.

Directors VanDiver and Turowski moved and seconded, respectively, to remove Agenda Item 4.B.2. from the agenda.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Aye**

Director Rodriguez-Kennedy – Aye
Director Turowski – Aye

Vote: Unanimous

AYES: 7 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

B. Budget Committee (Shawn VanDiver)

Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.B.1). No members of the public responded to the request for comment.

(1) Acceptance of December Financial Reports from Chief Financial Officer

Ms. Mattix, Chief Financial Officer, reported that the Corporation is halfway through the fiscal year and the Corporation's financials are progressing better than budget.

Revenues, particularly Food & Beverage, are doing very well. The better-than-expected Food & Beverage spend by the Deloitte event in December helped increase revenues. Revenues are expected to continue to tick up for the rest of the year.

Expenses are a little behind partially because of supply chain issues and partially because of a delay in getting started on some scheduled projects. Staff anticipates the delayed projects will get started soon and the expenses will be reflected accordingly in the budget.

Operationally, staff had originally anticipated the Corporation would be nearing a deficit of approximately \$3 million by this time of the year. The deficit may be closer to \$1 million and, depending upon business, it may even be zero. That figure would be prior to debt management payments and capital.

Staff will review anticipated fiscal year 2024 and 2025 figures in the next few weeks, but so far, the figures look positive. There will be additional expenses as the maintenance team is staffed and there is more capital planning. Moving forward, revenues also continue to look very healthy. Event attendance is improving better than expected and staff is excited that the overall financial outlook is good.

Directors Kim and Bradford moved and seconded, respectively, to Accept the December Financial Reports from the Chief Financial Officer.

Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Aye
Director Rodriguez-Kennedy – Aye
Director Turowski – Aye

Vote: Unanimous

AYES: 7 NAYS: 0 ABSTENTIONS: 0

(2) Authorization to Renew Marshalling Yard Lease

This item was removed from the Agenda.

Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.B.3). No members of the public responded to the request for comment.

(3) Authorization to Contract for Window Sealant Replacement

Directors Vandiver and Kim moved and seconded, respectively, to award a Contract for Window Sealant Replacement to Coast Waterproofing with a project budget of \$290,000.

Director Kim – Aye

Director Cota – Aye

Director Gattas – Aye

Director VanDiver – Aye

Director Bradford – Aye

Director Rodriguez-Kennedy – Aye

Director Turowski – Aye

Vote: Unanimous

AYES: 7 NAYS: 0 ABSTENTIONS: 0

C. Audit Committee (Will Rodriguez-Kennedy)

Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.C.1). No members of the public responded to the request for comment.

(1) Approve Resolution 2023-01 Adopting the San Diego Convention Center Corporation, Inc., 403b Retirement Plan

Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to Approve Resolution 2023-01 Adopting the San Diego Convention Center Corporation, Inc., 403b Retirement Plan.

Director Kim – Aye

Director Cota – Aye

Director Gattas – Aye

Director VanDiver – Aye

Director Bradford – Aye

Director Rodriguez-Kennedy – Aye

Director Turowski – Aye

Vote: Unanimous

AYES: 7 NAYS: 0

ABSTENTIONS: 0

D. Sales Committee (Jeff Gattas): Mr. Mikschl referred Directors to the Sales report contained within the Board packet and he reported that the sales teams continue to be selective regarding the types of business they are booking over the next twelve to fourteen months. Since the Corporation is looking at beginning several capital maintenance projects, the sales team is looking at leaving open windows on the calendar for those projects to be performed.

Three short-term events booked for the month of December. The team is continuing to focus on community events that bring the public into the facility and book short-term room nights for the hotel community or drive significant incremental revenue to the building. “Art San Diego” is an example of the type of community event the sales team is booking. This will be the third year the center has hosted this event.

The short-term team is also working on booking a pharmaceutical event which will hopefully appear on next month’s report. Staff anticipates this event will generate 2,000 room nights for the hotel community.

The recent Auto Show event, although limited in size this year, was very successful. The event had great attendance. The event’s meeting planners were very happy and are already meeting with internal representatives to plan next year’s event.

The long-term sales team has also had a strong month in terms of booking activity. Two events booked by the long-term sales team are high profile corporate events which will take place in April of 2024 and April 2025. Each of those events will generate approximately \$4 million in Food & Beverage for the Corporation. Overall, event attendance and Food & Beverage revenues are up. From an industry perspective, the Corporation is in good shape.

Ms. Coker reported that the long-term sales team’s tentative business funnel currently has approximately 515,000 room nights compared with 1 million room nights in 2019. However, this is a 160,000-room night increase over 2022. From a booking standpoint, the team had a very good December.

One of the strategies the sales team discussed regarding booking business was to try to level-out how business was booked; i.e., instead of turning everything in May or June, the team is attempting to level booked business throughout the entire year. For example, in December of 2019, the team had booked 156,000 room nights. Year-to-date, the team has booked 313,000 room nights. Essentially, more definite business is being booked more evenly throughout the year instead of slamming it all towards the end of the fiscal year. For further perspective, in 2022, the team had turned 252,000 room nights. The team is excited about the improvements in booking.

The team has acquired a new employee, Allie Asuncion, to oversee site experiences including supervising the Convention Services Department. Allie was previously employed by Petco Park and the team has a vested interest in making sure her replacement understands the relationship between Petco Park and the local tourism industry. Allie will be starting in February.

The Chicago-Midwest position is still open, but the team is exploring a strong lead. The SDTA team will ensure that Andy has an opportunity to interview the Chicago sales candidate before a decision is made.

SDTA has also hired a Revenue Director who will work closely with the Chicago office and Andy to evaluate the pieces of business that we are considering. The goal is to maximize revenue for the existing calendar holes. The Director's role will be to objectively examine attendance, ancillary spend, food & beverage revenue and room nights before making a booking decision.

Mr. Mikschl also reported that the sales teams will be reviewing the Program of Work for the next fiscal year in the coming months. The March Sales Committee meeting will be reviewing a summary of goals for the coming year and should finalize revisions to the Program of Work by the end of June.

Chair Cota briefly reported on the incredible experience he had attending the PCMA conference in Columbus, Ohio, especially since the event will be held in San Diego next year. The California contingent hosted a brunch that attracted a large amount of interest and clients appeared to be very excited about attending the meeting in San Diego next year. Our sales staff did an excellent job representing our interests.

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

- The PCMA event in Columbus was incredible and the SDCCC-SDTA "Top Gun" themed presentation for next year's event was well received. Mr. Rippetoe provided an overview of the presentation content.
- PCMA is an organization that represents over 86% of SDCCC's client base. The event has not been held in San Diego since 2012 and having the event in San Diego in 2024 is an opportunity for the vast majority of the center's clients to see San Diego as a destination. Staff will keep the Board updated and provide calendar updates regarding the event.
- Ms. Coker added that a great many attendees in Columbus indicated they couldn't wait to attend PCMA in San Diego next year. The goal is to exceed San Francisco's PCMA event attendance of 4,800.
- Chair Cota noted that there are 250 major association events that all convention centers are vying to attract and, even though SDCC is 24th in size, it is either 4th or 5th ranked in having hosted top tier events.
- The new CEO from Sodexo Live! – Centerplate and other company representatives will attend the next Board meeting. Mr. Ramirez provided some background information regarding the new CEO and the visit.
- The Chick Fillet "Next" event was very successful. Kudos to SDTA and Sodexo Live! for working together to achieve this success.
- The recent Town Halls went well. Staff discussed the strategic plan and other leadership engagement meetings related to the plan are being scheduled.
- Mr. Rippetoe has been named Chair of the Jacobs-Cushman Food Bank.
- Mr. Rippetoe also noted that it's been 2 years, 11 months and 26 days since this team has had an in-person meeting.

6. **Chair's Report (Carlos Cota)**

- Chair Cota reported that his goals and focus for this year will be supporting the Sales team's Program of Work" and the leadership team and staff.
- He will also continue to oversee the implementation of the imperatives in the Strategic Plan.
- Since he wishes to be respectful of Directors time, there will be no meetings simply for the sake of meeting and many of the scheduled Executive Committee meetings will probably be cancelled.
- Continuing to highlight the success of the Center through scheduled meetings with City officials is also a priority. We will emphasize the number of good careers (and benefits) and the number of counsel district constituents who work at the Center.
- Chair Cota also intends to champion capital improvements at the Center, funding for capital projects and working with the City to determine a funding source.

7. **Board Comment [Govt. Code § 54954.2(a) (2)]** – Director Bradford reported that there may be a Court date regarding expansion by May, 2023. Ms. Coker reported that SDTA will be sending in its TMD application on February 10th and they will present to TMD on February 17th. She will forward a copy of the application to the Board. Director VanDiver stated that as Budget Committee Chair, he is very supportive of Board Chair Cota's vision for finding creative funding sources for capital improvement projects. Director VanDiver is willing to initiate hard conversations regarding funding and he will be looking to State and Federal colleagues to find funding mechanisms for the Center. Director Rodriguez-Kennedy stated that he was excited about Chairing the Audit Committee and he looked forward to working with the Board to ensure that the Corporation's policies and processes are straight. He also lauded Director Kim's leadership as Chair and her focus on the Strategic Plan and how operational the Plan is. He further stated that it was refreshing to see how directly the Strategic Plan is tied to the operations of the facility.

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

9. **Closed Session:** The Board entered into closed session at 1:10 p.m. to discuss the items set forth hereinbelow.

A. CONFERENCECONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Govt Code section 54956.9 (d)(1)- 2 cases

Case No. 37-2020-00008163-CU-OE-CTL

Case No. 37-2020-00008111-CU-WT-CTL

The Board returned to open session at 1:29 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “9.A,” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:30 p.m.

I, Will Rodriguez-Kennedy, 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 1, 2022, and that said minutes were approved by the Board of Directors on February 22, 2023.

Will Rodriguez-Kennedy, Secretary

Agenda Item 4.B

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

TO: Board of Directors

FROM: Shawn VanDiver, Budget Committee Chair

DATE: For the Agenda of February 22, 2023

RE: Ratify Wheelchair Lift Purchase

BACKGROUND

As a part of San Diego Convention Center's commitment to providing an inclusive and accessible experience for visitors in our building, Staff maintain three (3) portable wheelchair lifts for stages. The existing wheelchair lifts are at the end of their useful life and were anticipated to be replaced in the FY 24 capital budget.

DISCUSSION

While Staff intended to replace all portable wheelchair lifts in FY 24, one (1) of the three (3) lifts failed beyond repair, prior to the anticipated replacement. Staff routinely need to have all three (3) lifts available concurrently, necessitating the expedited replacement or rental. Staff weighed rental costs against the expedited replacement and found it financially advantageous to proceed with the expedited purchase of a replacement wheelchair lift from Ascension Wheelchair Lifts for \$36,801.47.

STAFF RECOMMENDATION

Ratify purchase of wheelchair lift for \$36,801.47.

 /s/
Shawn VanDiver,
Budget Committee Chair

Agenda Item 4.C.2

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

TO: Board of Directors

FROM: Shawn VanDiver, Budget Committee Chair

DATE: For the Agenda of February 22, 2023

RE: Authorize Renewal of Marshalling Yard Lease

BACKGROUND

In March 2013, the San Diego Convention Center Corporation (“Corporation”) entered into a five (5) year lease agreement with CG 7600 for 5.35 acres of land currently used as our marshalling yard located at 2387 Faivre Street, Chula Vista, California 91911 (“Existing Yard”). The Corporation subsequently exercised an option to extend for an additional five (5) year period expiring on March 31, 2023. The Corporation is required to have a marshalling yard in accordance with the environmental impact report (EIR).

DISCUSSION

Staff engaged in discussions with the City to identify a long-term marshalling yard on vacant City owned land. Staff visited several viable properties and have identified a property with potential that is currently undergoing due diligence by the City. City staff confirmed this process combined with necessary improvements required to use the vacant land as a new marshalling yard would exceed our lease and we should renew for a two (2) year period. Staff will concurrently evaluate alternative locations not owned by the City as a secondary option.

The broker representing the owner of the Existing Yard advised the property already has a long-term lease lined up with the leaseholder of the neighboring adjacent property commencing immediately on expiration of our lease. After discussions with the broker, the neighboring leaseholder is willing to sublease the Existing Yard back to us for a period of two (2) years at the market rate of \$50,312 per month for the first year with a 4% escalation for the second year. While this is a significant increase from the current monthly rate of \$18,128, the rate has been on a fixed 3% annual escalation dating back to 2013 prior to the demand and density for commercial properties of this nature. Staff assess the two (2) year lease of the Existing Yard to be the best solution and recommend moving forward.

STAFF RECOMMENDATION

Authorize Staff to negotiate a one (2) year marshalling yard lease agreement.

_____/s/_____
Shawn VanDiver,
Budget Committee Chair

Agenda Item 4.C.3

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

TO: Board of Directors

FROM: Shawn VanDiver, Budget Committee Chair

DATE: For the Agenda of February 22, 2023

RE: Authorize Contract for Fire Alarm Testing & Maintenance

BACKGROUND

The convention center has a robust fire alarm system produced by Siemens. The California Fire Code requires inspection, testing, and maintenance of this fire alarm system on an annual basis.

DISCUSSION

Due to the proprietary nature of the Siemens fire alarm system, Staff obtained a three (3) year proposal directly from Sygnal Systems, an authorized Siemens Solutions Partner to perform comprehensive annual fire alarm function testing as required by California Fire Code and National Fire Protection Association (NFPA) 72 standards. Consistent with procurement policy, Staff received a single-source proposal from Sygnal Systems for:

Year 1	\$35,350
Year 2	\$37,220
Year 3	\$39,180
3 Year Total	\$111,750

Staff assess Sygnal Systems' proposal as fair and reasonable and recommends proceeding with awarding a three (3) year contract for \$111,750.

STAFF RECOMMENDATION

Approve authorization to contract with Sygnal Systems for fire alarm inspection, testing, and maintenance.

_____/s/
Shawn VanDiver
Budget Committee Chair