

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

**WEDNESDAY, JANUARY 26, 2022, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

Pursuant to Government Code section 54953(e) and Board Resolution No.2022-01, 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 Meetings of December 14, 2021 and “Special” Board Meeting of January 7, 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 February 25, 2022 Pursuant to Brown Act Provisions.**

Action Item(s):

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

(1) **Acceptance of November and December Financial Reports from Chief Financial Officer**

(2) **Authorization to Approve Contract for Roof Consultant**

D. Audit Committee (Jaymie Bradford)

- (1) Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company**

E. Sales & Marketing Committee (Carlos Cota)

- (1) Authorization to Approve Contract for Sales & Marketing Services with San Diego Tourism Authority**

4. President's Report (Rip Rippetoe)

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**
Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)(1 case)
Existing facts and circumstances pursuant to GC 54956.9(e)(1)

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

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 3.A

MINUTES* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS

BOARD MEETING OF DECEMBER 14, 2021 Via Teleconference

BOARD MEMBERS PRESENT: Chair Elvin Lai and Directors Carol Kim, Carlos Cota, Jeff Gattas, Jaymie Bradford and Will Rodriguez-Kennedy

BOARD MEMBER(S) ABSENT: Directors Shawn VanDiver

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 to request a copy.

1. Call to Order

Chair Elvin Lai called the Board Meeting to order at 12:02 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Chair Lai then called roll to determine which Directors were present on the teleconference:

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

All Directors were recorded as present except Directors VanDiver. Chair Lai noted that all votes taken during this meeting would be recorded via roll call vote.

2. Non-Agenda Public Comment – Chair Lai inquired if any member of the public wished to comment on any Agenda items.

Departing Director, Allan Farwell, thanked the Board Directors for working so well with him during the last three years. He congratulated Chair-Elect Kim on her selection as the 2022 SDCCC Board Chair and thanked Chair Lai for his leadership during the past year. Director Farwell also thanked Mr. Rippetoe and the SDCCC staff for their support during his tenure on the Board. Mr. Rippetoe presented Director Farwell with a parting commemorative and thanked him for his service to the Board. Chair Lai also thanked Director Farwell for his service and for the depth of knowledge regarding the hotel industry that he brought to the Board.

3. Board Committee Reports and Board Action Items:

Consent Agenda:

A. Approval of Minutes of Board Meetings of October 26, 2021 and “Special” Board Meeting of November 18, 2021

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 January 13, 2022 Pursuant to Brown Act Provisions.

C. Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Confirming a Confidential Fairness of Compensation Review for the Corporation’s Chief Financial Officer

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

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

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

D. Executive Committee (Elvin Lai)

(1) Authorization to Approve San Diego Convention Center Corporate Policy No. 528 re: SDCCC Strategic Planning

Directors Kim and Cota moved and seconded, respectively, to authorize approval of the San Diego Convention Center Corporate Policy No. 528 re: SDCCC Strategic Planning.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

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

(2) Authorization to Accept SDCCC Strategic Plan

Directors Gattas and Kim moved and seconded, respectively, to authorize Acceptance of the SDCCC Strategic Plan.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

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

E. Budget Committee (Elvin Lai)

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

CFO Mardeen Mattix issued the following report:

- For the first four months of the year, the budget is almost balanced. The budget is trailing by approximately \$500,000.
- Staff has not used any of the \$10.2 million in funds allocated by the City Budget for SDCCC use.

- Staff expected to have drawn \$4.4 million by now but Staff has not had to access the funds primarily because to date, every scheduled event has exceeded its anticipated revenue budget. Although event attendance has been low, events are still doing better than expected.
- Offsetting those revenues, expenses are also lower than expected thus far. Personnel expenses, in particular, are lower due to open full-time budgeted positions that have not been filled. We've been using part-timers to augment some of operations full-time unfilled positions which contributes to the overall savings.
- There are also significant savings in fringe benefits because we anticipated unemployment costs would be a lot larger than what they've come in at. The savings is attributable to the government continuing their subsidy of unemployment costs. That subsidy program has since been discontinued.
- In the supply and services and general expenses line items, we do have a savings of approximately \$600,000 so far.
- Staff anticipates using all of those funds by the end of the year. We are just a little behind on some maintenance and purchases and are waiting to see what the first half of the year was looking like.

Directors Cota and Rodriguez-Kennedy moved and seconded, respectively, to authorize Acceptance of October Financial Reports from Chief Financial Officer.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

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

(2) Authorization to Ratify Costs of Dewatering Pumps Purchased for Garage Level P-2

Directors Kim and Gattas moved and seconded, respectively, to authorize Ratification of Costs of Dewatering Pumps Purchased for Garage Level P-2.

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

F. Sales & Marketing Committee (Jeff Gattas)

(1) SDCCC-SDTA Contract Negotiation Update – Director Gattas reported the following:

- The Sales Committee is in the process of finalizing the amounts of funding for both personnel and non-personnel items as well as determining appropriate annual percentage and funding increases as part of the agreement.
- We continue to work with SDTA to ensure our Citywide sales efforts continue to lead the industry. We know this is an important aspect, as we talked about this during the retreat, and so, SDTA is looking at what that scenario may look like and any adjustments we may have to make as part of any expansion that may occur.
- The team is understanding the cost impact that SDTA incurs for the Convention Services function to be consistent with other markets and in line with customer expectations. We also know that shifting this function from SDCCC to SDTA will also provide savings and allow efficiencies for staffing and resources.
- The team continues to identify performance metrics that will be part of the agreement and determine appropriate payment terms and schedules. Currently, the Committee is looking at bringing the contract to the Sales Committee and the full Board in January for discussion and review. The Agreement will then be forwarded to the City for review and action in March.

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

G. Nominating Committee (Jaymie Bradford)

(1) Election of 2022 Board Officers: Director Bradford proposed the following slate of officers for consideration for 2022 San Diego Convention Center Board Service:

Board Chair – Carol Kim
Vice-Chair – Carlos Cota
Treasurer – Jeff Gattas
Secretary – Shawn VanDiver

Directors Bradford and Rodriguez-Kennedy moved and seconded, respectively, to authorize approval of the Slate of San Diego Convention Center 2022 Board Officers.

Director Lai – Aye
Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent

Director Bradford – Aye
Director Rodriguez-Kennedy - Aye

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

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

(2) Ratification of Committee Assignments

Chair-Elect Kim requested that Director Bradford (Immediate Past Chair) be removed from the Board's Executive Committee and Director Lai be added as Immediate Past Chair to the Executive Committee.

Directors Rodriguez-Kennedy and Cota moved and seconded, respectively, to authorize Ratification of 2022 Board Committee Assignments

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

- 4. President's Report (Rip Rippetoe) – Mr. Rippetoe reported:**
- The position of Director of Planning and Development has been filled by Victoria Mitchell. Welcome Ms. Mitchell.
 - Mr. Rippetoe reviewed the re-instituted CDPH Mask guidelines. The revisions do not impact SDCCC staff and customers as they were already following the revised guidelines.
 - The Corporation has hired Tracey Ward, a Human Relations consultant, to assist with reorganizing the Corporation's H.R. Department. Staff is working with Ms. Ward to select a new H.R. Director.
- 5. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2):** Chair Lai reported that an urgent issue arose regarding the Corporation's health insurance renewal after the December Board meeting Agenda was posted. As the issue must be acted upon before the next Board meeting, Chair Lai requested that Directors vote on adding the health insurance renewal item the current Agenda to address this issue. A two-thirds Director approval is required to add the item to the Agenda.

Directors Cota and Kim moved and seconded, respectively, to authorize adding an action item regarding the Corporation's health insurance to the Agenda.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

CFO Mattix reported that the issue relating to the Corporation's health insurance occurred on Friday afternoon. While going through the annual insurance renewal process, the Corporation's insurance carrier, Marsh, solicited bids from insurance entities. Initially, the Corporation did not anticipate any issue with retaining the incumbent insurance carrier who had offered a very competitive renewal package. However, circumstances that occurred during the past year (lack of increased staff numbers and major employee health incidents that exceeded the cost of premiums) caused the Corporation to be disqualified from the incumbent carrier's original offer of continued coverage. The incumbent's new bid included a premium increase would be in the double digit range (16.5%).

Mash solicited another insurance entity which offered a competitive package that would include a premium increase of approximately 4% and this entity guarantees that SDCCC's existing employees who are currently covered can choose their same doctors.

Staff is seeking approval to move forward with negotiations with the alternate carrier and not the incumbent.

Directors Lai and Cota moved and seconded, respectively, to allow Staff to make a decision on which health care provider to move forward with, as long as the health care costs do not exceed the amount allocated in the SDCCC budget. The Board will ratify Staff's choice of a health insurance carrier at the next Board meeting.

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

AYES: 6 NAYS: 0 ABSTENTIONS: 0

6. **Board Comment [Govt. Code § 54954.2(a)(2)]** – Director Cota recognized the entire SDCCC team for their hard work throughout a very challenging year. Director Cota also recognized SDTA for their efforts towards supporting the new visions for the sales efforts in the region. Director Gattas thanked Chair Lai for his Board leadership this year and Chair-Elect Kim thanked Chair Lai for shepherding the Strategic Plan process to its conclusion.
7. **Closed Session:** The Board entered into closed session at 12:35 p.m. to discuss
 - A. **CONFERENCE WITH LEGAL COUNSEL**
Existing litigation pursuant to 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
 - B. **EMPLOYEE PERFORMANCE EVALUATION**
Government Code Section 54957
Title: President & CEO

The Board returned to open session at 1:14 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed items “7A” and “7B.” Direction was given but no reportable action was taken.

3. **Action Item(s) Cont.:**

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

Director Gattas left the meeting at 1:00 p.m.

H. **Compensation Committee (Elvin Lai)**

- (1) **Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Third Amendment to the Amended and Restated Employment Agreement with the President & CEO and Authorizing a One-Time Payment of a Retention Incentive Stipend to the President and CEO of the Corporation**

Directors Bradford and Cota moved and seconded, respectively, to authorize approval of the Resolution as set forth hereinabove.

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

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

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

8. Chair's Report (Elvin Lai): Chair Lai reported:

- The Ad Hoc Compensation Committee is dissolved; however, Chair-Elect Kim has the option of revisiting the AD Hoc Committee issue vis-à-vis the Corporation's staff compensation philosophy.
- Chair Lai thanked Director Farwell and the entire Board for their service this year.
- The next Board meeting is scheduled for January 26, 2022; however, a "special" Board meeting may be required to approve a resolution for continued virtual meetings.

There being no further business, the meeting adjourned at 1:18 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 December 14, 2021 and that said minutes were approved by the Board of Directors on January 26, 2022.

Shawn VanDiver, Secretary

Agenda Item 3.A

MINUTES*

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

SPECIAL BOARD MEETING OF JANUARY 7, 2022

BOARD MEMBERS PRESENT: Chair Carol Kim and Directors Carlos Cota, Jeff Gattas, Shawn VanDiver, Jaymie Bradford and Will Rodriguez-Kennedy

BOARD MEMBER(S) ABSENT: Director Elvin Lai

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, 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 10:05 a.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 - Present
Director Lai - Absent

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

2. Non-Agenda Public Comments: – 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 Action Items:

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

A. Approval of 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 February 6, 2022 Pursuant to *Brown Act* Provisions.

Directors VanDiver and Bradford moved and seconded, respectively, to approve the Resolution set forth hereinabove.

Director Kim – Present

Director Cota – Present

Director Gattas – Present

Director VanDiver – Present

Director Bradford – Present

Director Rodriguez-Kennedy - Present

Director Lai - Absent

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

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

There being no further business, the meeting adjourned at 10:09 a.m.

CERTIFICATION

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 January 7, 2022, and that said minutes were approved by the Board of Directors on January 26, 2022.

Shawn VanDiver, Secretary

Agenda Item 3.B

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

TO: Board of Directors

FROM: Jennifer Lyon, General Counsel

DATE: For the Agenda of January 26, 2022

RE: A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. EXTENDING THE AUTHORIZATION FOR ALL OR PARTIAL REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES AS NEEDED DURING THE COVID-19 LOCAL AND STATE EMERGENCY THROUGH FEBRUARY 25, 2022 PURSUANT TO BROWN ACT PROVISIONS.

BACKGROUND

On March 17, 2020 the Governor issued Executive Order N-29-20 related to the COVID-19 pandemic. Pursuant to his Executive Order certain requirements under the Ralph M. Brown Act ("Brown Act") that govern the procedure for public meetings were suspended allowing legislative bodies of agencies across the State to conduct meetings remotely. Executive Order N-29-20 expired on September 30, 2021. On September 16, 2021, the Governor signed into law AB 361 which amends the Brown Act to allow continued flexibility for conducting public meetings. AB 361 was effective on October 1, 2021.

DISCUSSION

AB 361 amended Government Code section 54953 of the Brown Act to allow virtual public meetings through January 1, 2024 in any of the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

- The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These circumstances allow public agencies to hold entirely virtual and partially virtual public meetings during the current pandemic while California is in a proclaimed state of emergency. If a public meeting is held virtually under the new provisions of AB 361, the agenda must still be posted under the appropriate timelines: 72 hours in advance for a regular board meeting, and 24 hours in advance for a special meeting. The agenda must include the meeting link or dial-in, so that members of the public may access the meeting electronically. Also, the following are requirements under AB 361 for public comments during virtual meetings:

- Members of the public must be allowed to directly address the legislative body or board in real-time during the meeting.
- Legislative bodies or boards can no longer require public comments to only be submitted in writing in advance.
- When legislative bodies or boards use agenda items with timed public comment periods, they must allow those time limits to expire before closing public comment.
- When legislative bodies or boards take public comment separately on each agenda item, they must allow a reasonable amount of time per agenda item.
- In the event the meeting broadcast is disrupted, or if a technical issue on the agency's end disrupts public comment, the legislative body or board cannot take any further action on the agenda until the technical issue is resolved.

Most significantly, to continue to hold virtual meetings under AB 361 when a state of emergency remains active, the legislative body/board must make findings every 30 days that:

- The legislative body/board has reconsidered the circumstances of the state of emergency; and
- The state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

On September 28, 2021, the Board approved the first resolution to allow for remote meetings. Pursuant to subsequent resolutions adopted by the Board, the terms are continued through February 6, 2022. The attached Resolution includes the necessary findings to allow the Board, and all of its standing committees, to extend the authorization to continue to meet all or partially in a virtual mode while this local and state emergency continues through at least February 25, 2022. The attached Resolution shows that the Board did reconsider the resolutions approved by the Board to allow for this process. The Resolution includes the fact that the State of California and the City of San Diego declared emergencies in March of 2020 and that those emergency declarations are still in effect.

Additionally, local conditions still require necessary precautions related to COVID-19 because state and/or local officials have imposed or recommended measures to promote social distancing, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. Also, having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Omicron variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business. This Resolution does not mandate that all public meetings be virtual public meetings; it merely lays the framework to allow for all virtual or partially virtual meetings during this pandemic.

Please note that these public meetings under the Brown Act are drastically different than the conventions that are held in the Center because the conventions are held in large areas of the Center and are not freely accessible to the public. The conventions are held under State requirements at this time which require proof of vaccine status or negative COVID-19 tests for attendance at the conventions. Those same requirements are not in place for members of the public who might attend a Board meeting. Additionally, a person can choose not to attend a convention if they are sick or have been exposed to a person with COVID-19. Directors are required to attend Board meetings because the Board needs a quorum to transact its business.

STAFF RECOMMENDATION

Staff recommends that the Board approve the attached Resolution.

Attachment:

1. Corporation Resolution

Agenda Item 3.B

RESOLUTION NO. 2022-02

A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. EXTENDING THE AUTHORIZATION FOR ALL OR PARTIAL REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES AS NEEDED DURING THE COVID-19 LOCAL AND STATE EMERGENCY THROUGH FEBRUARY 25, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the San Diego Convention Center Corporation (“SDCCC”) is committed to preserving and nurturing public access and participation in meetings of SDCCC and its advisory bodies/standing committees;

WHEREAS, all meetings of SDCCC’s legislative bodies, as defined in the Ralph M. Brown Act (“Brown Act” Cal. Gov. Code 54950 – 54963), are open and public so that any member of the public may attend, participate, and observe the bodies conduct their business;

WHEREAS, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body and the public, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

WHEREAS, it is further required that state and/or local officials have imposed or recommended measures to promote social distancing, and that the legislative body meeting in-person would present imminent risks to the health and safety of attendees;

WHEREAS, a state of emergency was proclaimed on March 4, 2020 by the Governor of the State of California as a result of the threat of COVID-19, and the City of San Diego proclaimed a local state of emergency related to COVID-19 on March 12, 2020 which has been continued regularly thereafter as required by law;

WHEREAS, the state of emergency continues to exist at a State and local level and the Board has reconsidered the circumstances of the emergency;

WHEREAS, orders from state and/or local officials continue to recommend social distancing measures to prevent an imminent risk to health and safety as a result of COVID-19;

WHEREAS, as a consequence of the state and local emergency, the Board does hereby find that the legislative bodies of SDCCC, as defined in the Brown Act, may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953;

Agenda Item 3.B

WHEREAS, the agendas for all remote meetings of SDCCC's legislative bodies shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option and provide a method for real-time public comments as required by law; and

WHEREAS, the Board approved the initial resolution pursuant to Government Code section 54953(e) on September 28, 2021 and has reconsidered it and extended it at least every 30 days since that time.

NOW, THEREFORE, be it resolved by the Board of Directors of the San Diego Convention Center Corporation (the "Board") as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution as findings.
2. Reconsideration of State of Emergency. The Board continues to acknowledge the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020, and the City of San Diego Mayor's Proclamation of State of Emergency, effective March 12, 2020 which have been continued regularly thereafter. The Board has reconsidered the circumstances of this state of emergency.
3. Social Distance Measures and Risks: The Board finds that the state of emergency continues to directly impact the ability of the members to meet safely in person. The Board further finds that state and/or local officials continue to impose or recommend measures to promote social distancing to reduce exposure to COVID-19 and its transmission, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. In compliance with recommended or mandated state and/or local social distancing measures, the Board further finds that having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Omicron variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business.
4. Remote Teleconference Meetings. The President & CEO, or designee, and the legislative bodies of the San Diego Convention Center Corporation are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) as needed and other applicable provisions of the Brown Act.

Agenda Item 3.B

5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption. This Resolution applies for the time period through February 25, 2022. The Board may extend the terms of this Resolution as required by law every 30 days.

PASSED, APPROVED and ADOPTED this 26th day of January, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Carol Kim, Board Chair

ATTEST:

Shawn VanDiver,
Secretary of the Board

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 January 26, 2022

RE: Authorization to Award Contract for Roof Consultant.

BACKGROUND

The San Diego Convention Center's original, west building roof is over 30 years old and has been independently assessed as at the end of its useful life.

DISCUSSION

In March 2021, The San Diego City Council unanimously adopted an amendment to the municipal code allowing for procurement of Energy Savings Performance Contracts ("Energy Savings Contract") enabled by California Government Code sections 4217.10-4217.18. This specialized procurement vehicle allows for procuring energy savings and facility improvements with no up-front capital costs. An Energy Savings Contract is a partnership between an agency and an energy service company where we receive facility improvements and energy savings in exchange for sharing in future energy and operational savings.

Procurement Staff reviewed the qualifications of alternative energy consultants to assist in an analysis of the potential investment and financing opportunities while also concurrently performing the necessary field investigations, architectural and structural analysis, and assessment of interrelated mechanical, electrical, and plumbing elements to address at the time of re-roofing the west building.

Based on their unique qualifications and significant experience in alternative energy projects, Staff engaged in direct negotiations with Gafcon. Gafcon presented a thorough plan for the foundational engineering investigations, analysis, and recommendations necessary to proceed with the roof project and determine the viability for an Energy Savings Contract. The negotiated scope of services includes conceptual plans, diagrams, analysis, and a narrative for re-roofing the west building with technical involvement from Gafcon through the solicitation process for design-build contracting firms utilizing an Energy Savings Contract for financing.

In the event Staff determine an Energy Savings Contract is not the most advantageous financing vehicle to proceed with, Staff is under no obligation to proceed with an Energy Savings Contract and could elect to finance through other means while still benefitting from the foundational technical package provided by Gafcon. Staff recommends awarding a roof consulting contract to Gafcon for \$198,295.

STAFF RECOMMENDATION

Approve recommendation authorizing an award of a contract for a roof consultant to Gafcon for \$198,295.

/s/
Jeff Gattas,
Budget Committee Chair

Agenda Item 3.D.1

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

TO: Board of Directors

FROM: Jaymie Bradford, Audit Committee Chair

DATE: For the Agenda of January 26, 2022

RE: Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance for Plan Year 2022-2023 Through Marsh & McLennan Agency LLC Company

Background

The Corporation provides full-time and variable hour employees and their dependents with health insurance including medical, vision, dental, life and long-term disability insurance coverage. These health insurance programs are renewed each year on March 1. Our goal is offer quality health insurance that places priority on preventative care at an affordable price point. The Corporation considers financial impact costs with the goal of maintaining a “rich” benefit plan to remain competitive in the marketplace. Last year the Corporation implemented a slow, planned increase in employee participation in premium rates to align benefits closer to the competitive market.

Employees are currently provided a choice of two primary HMO plans for medical care through Health Net : A basic plan with a network of physicians that offers access to Sharp only as well as an opportunity to buy up to a more robust network including Rady’s Children Network, UCSD Health, Mercy Physicians Medical Group and Scripps Physicians Medical Group. In addition, a Mexico / US cross-border HMO plan is offered through SIMNSA.

Marsh & McLennan Agency LLC Company (Marsh) was contracted for March 1, 2018 – March 1, 2021 as the Broker of Record with an annual renewal option unless terminated by Corporation. Corporation exercised the open to extend through February 2023. Marsh provides services in regards to the placement of employee benefits coverage for medical, dental, life vision, disability, business travel accident, EAP, voluntary benefits, and telehealth.

Discussion

The Corporation directed Marsh to solicit quotes from the insurance providers. During the renewal process, Health Net released the large claims data and loss ratio of claims paid to premiums collected, which exceeded 167%. In addition to the high loss ratio for the second year in a row, SDCC’s medical participation dropped by more than 10% subsequently voiding the 8.5% rate cap terms adopted during the 2021-2022 plan year renewal. As such, Health Net’s best and final offer, after negotiations and a market review, came in at +17.8% above current

rates. Aetna was the only carrier to offer a competitive bid with comparable plans to those currently offered, resulting in a +3.6% plan rate increase.

Medical Insurance

Aetna's offer includes two plan designs, comparable to the existing Health Net plans, with access to 100% of current physicians and/or medical groups utilized by plan participants. The Aetna Whole Health (AWH) HMO is a narrow network of Sharp only physicians intended to replace Health Net's SmartCare HMO plan. One significant change from the existing plan design, affecting 3 participants, is the elimination of Rady Childrens Network which is currently accessible to those on the SmartCare HMO. In order for SmartCare HMO participants to continue seeing a Rady's physician, they would need to "buy up" to the more robust, wider network, Aetna Value Network (AVN) HMO. The Aetna Value Network (AVN) network is most comparable, and intended to replace the existing Health Net ExcelCare HMO.

Included in the premium package is a one-month premium credit to the Corporation (not to exceed \$98,000), a \$6,000 technology subsidy to offset automation costs of open enrollment as well as \$6,000 wellness fund credit. SIMNSA's renewal remains the same for all network coverage but did incur a +14.0% increase, also due in part to a loss ratio exceeding 100%.

Variable Hour Employees (VHEs) premiums increased by 40% due to Aetna not having a minimum value plan comparable to the incumbent plan. There is minimal participation in this plan (1 employee). Corporation is required to offer a minimum value / essential coverage plan, in accordance with ACA, for variable hour employees who meet requirements.

Without compromising quality care and to minimize network disruption, staff recommends switching carrier coverage to Aetna plans mentioned above. Significant changes detailed below show the positive changes in deductible, copays and coverage compared to the incumbent plan.

Board of Directors
Agenda Item 3.D.1
January 26, 2022
Page 3

		Health Net	Aetna			Health Net	Aetna
		SmartCare HMO	AWH HMO			ExcelCare HMO	AVN HMO
		Current / Renewal	Proposed			Current / Renewal	Proposed
Medical Benefits							
Out of Pocket Max - Individual		\$3,000	\$2,000			\$3,000	\$2,000
Out of Pocket Max - Family		\$9,000	\$4,000			\$9,000	\$4,000
Medical Services							
Preventive Care		No charge	No charge			No charge	No charge
Primary Care Visit		\$20	\$20			\$20	\$20
Specialist Office Visit		\$40	\$40			\$40	\$40
Inpatient Hospital		\$500 / admit	\$500 / admit			\$500 / admit	\$500 / admit
Outpatient Hospital Surgery		\$500	\$200			\$500	\$200
Emergency Room		\$100	\$150			\$100	\$150
Urgent Care		\$40	\$50			\$40	\$50
Ambulance (true emergency)		\$100	\$150			\$100	\$150
Chiropractic		\$15 (10 visits / year)	\$15 (20 visit / year)			\$10 (30 visits / year)	\$15 (20 visits / year)
Acupuncture		\$15 (10 visits / year)	\$20 (20 visit / year)			Not covered	\$20 (20 visit / year)
Rehab Therapy		\$20	\$40			\$20	\$40
Prescription Drugs							
Preventive		No charge	No charge			No charge	No charge
Tier 1 (Retail / Mail Order)		\$10 / \$20	\$10 / \$20			\$10 / \$20	\$10 / \$20
Tier 2 (Retail / Mail Order)		\$30 / \$75	\$30 / \$60			\$30 / \$75	\$30 / \$60
Tier 3 (Retail / Mail Order)		\$50 / \$125	\$50 / \$100			\$50 / \$125	\$50 / \$100
Tier 4 (Retail / Mail Order)		30% to \$250	30% to \$250			30% to \$250	30% to \$250
Monthly Premium							
	EE	Current	AWH \$20/40 Rx3		EE	Current	AVN \$20/40 Rx3
Employee Only	50	\$636.02	\$652.40		12	\$738.76	\$767.59
Employee + Spouse	13	\$1,526.49	\$1,565.80		1	\$1,773.02	\$1,842.26
Employee + Child(ren)	10	\$1,113.06	\$1,141.70		1	\$1,292.82	\$1,343.28
Employee + Family	8	\$1,939.94	\$1,989.89		1	\$2,253.21	\$2,341.24
Monthly Premium Total	81	\$78,295	\$80,312		15	\$14,184	\$14,738
Annual Premium Total		\$939,546	\$963,738			\$170,210	\$176,854
Annual Change from Current - \$			\$24,192				\$6,644
Annual Change from Current - %			2.6%				3.9%
Rate Guarantee		1 year	1 year			1 year	1 year

Fulltime employees are offered Aetna Whole Health (narrowest network), Aetna Value Plan (AVP). Network changes between incumbent (HealthNet) and Aetna are noted below:

ExcelCare HMO	Subscriber	Members	Health Net		Aetna	
			ExcelCare	SmartCare	Value	Whole Health
Mercy Physicians Medical Group	6	6	Yes	No	Yes	No
Scripps Physicians Medical Group	1	1	Yes	No	Yes	No
Sharp Community Medical Group - San Diego	2	2	Yes	Yes	Yes	Yes
Sharp Rees-Stealy Medical Group	4	4	Yes	Yes	Yes	Yes
UCSD Health - Encinitas	0	1	Yes	No	Yes	No
UCSD Health - La Jolla (Internal Medicine)	2	4	Yes	No	Yes	No
UCSD Health - Internal & Senior Medical	0	2	Yes	No	Yes	No
UCSD Health - Kearny Mesa (Pediatrics)	0	1	Yes	No	Yes	No
UCSD Health - Hillcrest (Internal Medicine)	1	2	Yes	No	Yes	No
Total Subscriber Network Access	16	23	16	6	16	6
Network Access %			100%	38%	100%	38%

SmartCare HMO	Subscriber	Members	Health Net		Aetna	
			ExcelCare	SmartCare	Value	Whole Health
Rady Childrens Health Network	0	3	Yes	Yes	Yes	No
Sharp Community Medical Group - Arch	0	2	Yes	Yes	Yes	Yes
Sharp Community Medical Group - San Diego	33	50	Yes	Yes	Yes	Yes
Sharp Community Medical Group - Inland North	1	3	Yes	Yes	Yes	Yes
Sharp Rees-Stealy Medical Group	54	81	Yes	Yes	Yes	Yes
Total Subscriber Network Access	88	139	88	88	88	88
Network Access %			100%	100%	100%	100%

Summary

- There are 6 subscribers (or 38% of total ExcelCare enrollees) seeing a provider in the SmartCare network.
- Moving to Health Net and Aetna's narrowest network plan would allow them to keep their provider and could potentially yield a combined savings of approximately \$21,000.
- If SDC moved to Aetna, all current medical groups being utilized are accessible.

SIMNSA HMO– Offered to full-time and variable hour employees. This is a cross-border HMO program through Mexico.

Aetna HMO (VHE) – Offered to part-time employees as a minimum value / essential coverage plan, in accordance with ACA, for variable hour employees.

Dental Insurance

Dental coverage also renews for the 2022-2023 plan year. The United Concordia Dental plan renewal came in with a rate pass (0% increase) for the 2022-2023 plan year.

Vision Insurance

Vision coverage changed carrier coverage from Medical Eye Services (MES) to EyeMed due to a merger acquisition of the incumbent carrier with a guaranteed rate for the 2022-2023 plan year and minimal plan coverage changes. Moving to EyeMed will also provide a more robust network of in-network providers and cost savings opportunities to employee by waiving the exam copays and increasing the frame allowance simply by seeing a PLUS network provider.

RECOMMENDATION

Authorize the renewal of all medical, dental, and vision plans as described in the summary above, through the brokerage services of Marsh & McLennan Agency LLC Company. In total,

the specific coverage for Plan Year 2022-2023 will result in an approximate net increase of +3.2%, or \$42,286, before the one-month premium credit estimated value of (\$60,000).

/s/ _____
Jaymie Bradford
Audit Committee Chair

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

TO: Board of Directors

FROM: Clifford “Rip” Rippetoe, President & CEO

DATE: For the Agenda of January 26, 2022

RE: Authorization to Approve Sales and Marketing Services Contract with San Diego Tourism Authority (SDTA)

BACKGROUND

The San Diego Convention Center Corporation (“Corporation”) entered into a services contract with the San Diego Tourism Authority (“SDTA”) on July 1, 2017, to provide long-term sales and marketing services for a five-year term, expiring on June 30, 2022. Since 2012, SDTA has managed long-term convention sales on behalf of the Corporation, which is the accepted norm in the industry. This partnership has allowed for a highly successful sales effort, with strong booking activity confirmed at the Convention Center well into the future. The current contract offered an extension opportunity, however, based on some adjustments to the marketing program and restructure of SDTA functions due to the pandemic, Staff thought it was best to memorialize the changes as a new agreement. As a result, the Corporation and SDTA are proposing to the Board a new five (5) year sales and marketing services contract (Exhibit A).

DISCUSSION

Over the past several months, SDTA and Corporation staff have worked on the terms of the new contract to ensure the needs of both organizations will continue to be addressed. Some areas of note that are being added or updated on the new agreement are as follows:

1. Metrics and performance goals to help ensure that future conventions not only generate substantial hotel room nights and TOT for the destination, but also address the financial needs of the Corporation. These include benchmarks for event attendance and ancillary spend from events, both of which help drive incremental revenues for the Center.
2. Detailed reporting criteria, to provide ongoing updates on performance throughout each fiscal year, and to ensure resources are being allocated appropriately based on changing needs within the industry.
3. The addition of Convention Services support as an additional service which SDTA will provide as part of the contract. Previously, Convention Services was managed by the Corporation. However, in an attempt to reduce costs and create efficiencies during the pandemic, it was determined that Convention Services should be managed by SDTA moving forward. This structure is also more commonly seen as the industry norm, and provides our clients with a more familiar approach to sales and services.

Terms of the agreement call for SDTA to receive annual compensation of \$2,650,000 for services performed, with a 3% escalation per year from the life of the contract. Funding is provided by the City to the Corporation as a direct pass through to SDTA. Due to budgetary constraints during the pandemic, funding allocated by the City was reduced, causing SDTA to significantly reduce staff and limit their sales activity. As business returns and clients begin to focus on booking future events, it will be necessary for SDTA to re-establish their sales efforts to pre-pandemic levels.

Below is list of positions that shows how SDTA was structured in 2020 pre-pandemic and how they are structured now to support Citywide sales, inclusive of SDCC transferring the convention services team to SDTA in order to gain efficiency and leverage market resources with the Citywide team.

FY23 current contractual value		Proposed FY23 Contractual value		
FY2020 Positions		FY2023 Positions		
VP Sales		VP Sales (50%)		
(2) Sr. Sales (San Diego)		(1) Sr. Sales (San Francisco)		
(2) Sales Mgr (San Diego)		(1) Sr. Sales (San Diego)		
(1) San Diego Support Coordinator		(1) San Diego Support Coordinator		
(3) Sr. Sales (DC)		(2) Sr. Sales (DC)		
(1) DC Support Coordinator		(1) DC Support Coordinator		
(2) Sr. Sales (Chicago)		(2) Sr. Sales (Chicago)		
(1) Chicago Support Coordinator		(1) Chicago Support Coordinator		
Total 13		Total 9.5		
FY2023 salary, fringe, travel	\$ 2,297,035	FY2023 salary, fringe, travel	\$ 2,130,000	
SDCC Conv Services:	\$ 500,000	+ Convention Services	\$ 525,000	
		(3) CS manager		
		(1) CS Coordinator		
				savings in total
Total services	\$ 2,797,035	\$ 2,655,000	\$ (142,035)	
2.5% built in escalation factor in contract		* reduction of office rental space * more presence at events * leverage marketing materials of SDTA/TMO If expansion, renegotiate sales positions		

In the event an expansion is approved, contract terms will be renegotiated to address additional staffing and resources needed.

STAFF RECOMMENDATION

Approve contract with San Diego Tourism Authority for Citywide Sales and Marketing efforts set forth in the terms of Exhibit A.

/s/

 Clifford "Rip" Rippetoe
 President & CEO

SALES AND MARKETING SERVICES CONTRACT
Between
SAN DIEGO CONVENTION CENTER CORPORATION
And
SAN DIEGO TOURISM AUTHORITY
CONTRACT NO.

This Sales And Marketing Services Contract ("Contract") is entered into effective July 1, 2022, by and between SAN DIEGO CONVENTION CENTER CORPORATION ("Corporation"), a California non-profit public benefit corporation with primary offices located at 111 West Harbor Drive, in San Diego City and County, California and San Diego Tourism Authority ("SDTA"), a private, non-profit, mutual benefit corporation with primary offices at 750 B Street, Suite 1500, in San Diego City and County, California, referred to herein individually as "a party" and collectively as "the Parties".

RECITALS

WHEREAS, the San Diego Convention Center ("Center") located at 111 West Harbor Drive, San Diego, California 92101, generates significant economic benefits for the greater San Diego region by hosting international and national conventions and trade shows in a world-class facility; and

WHEREAS, Corporation, pursuant to the Third Amended and Restated Management Agreement ("Agreement") with the City of San Diego ("City"), manages, markets and operates the Center; and

WHEREAS, San Diego City Council resolution R-307350 dated July 1, 2022 authorizes a First Addendum to said Agreement permitting Corporation to assign certain sales, marketing and promotion obligations under the Agreement to a third party, with the City's approval through its Mayor and City Council, for events that are booked at the Center more than eighteen (18) months in advance, including booking, allocating meeting space, and pricing such events ("Services"); and

WHEREAS, SDTA also generates significant economic benefits for the greater San Diego region and is in the business to promote and market San Diego County as a vacation destination and convention site for the benefit of business and the local community and desires to contract with Corporation to perform said services; and

WHEREAS, Corporation and SDTA desire to unify long term sales and marketing of the Center related to long term events to provide a unified presence in the marketplace and maximize the economic impact of events hosted in the Center; and

WHEREAS, Corporation has elected and SDTA has agreed as set forth herein to provide said services;

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein, the Parties agree as follows:

SECTION 1: CONTRACT DOCUMENTS

1.1 The contract documents consist of this Contract and one (1) exhibit, which may be amended from time to time:

Exhibit A: Convention Center Facility Rental & Contracting Guidelines

Exhibit B: Template of the Program of Work

The exhibit (the "Exhibit") is attached hereto and incorporated by reference herein as if fully set forth, including any amendments that may be made to the Exhibit from time to time. The Exhibit sets forth the guidelines of the Services and other programs to be undertaken by SDTA in furtherance of the objectives set forth in this Contract.

1.2 This Contract replaces and supersedes all prior contracts, amendments and Administrative or Operating Memoranda by and between the Parties on the subject matter herein. However, this Contract is subject to the Agreement between Corporation and City for management of the Center including all Addendums thereto, and the 1998 Convention Center Management Agreement between City and the San Diego Unified Port District (the "Port/City Agreement"). To the extent this Contract conflicts with the Agreement or the Port/City Agreement, the terms of the Agreement and the Port/City Agreement control.

SECTION 2: SCOPE OF WORK

2.1 All efforts of the SDTA's citywide sales/services efforts are to promote, market, advertise, and publicize the Center to conventions, trade shows, conferences, and other events that will seek to maximize hotel room night generation from the destination, produce economic benefit to the region, and maximize operation revenue for the Convention Center. During the Initial Term of this Contract, and during any Extension Term, SDTA agrees to provide the following services ("the Services") to the Corporation specific to the long term sales and marketing of the Center:

- A. Long term/citywide sales efforts
- B. Convention Services support for definite-booked citywide conventions
- C. Citywide convention marketing support

2.2 An Annual Program of Work outlines the SDTA's strategies and plans for the upcoming year.

2.2.1 Content

- Market assumptions/considerations for the year
- Sales strategies & tactics to be undertaken in the upcoming year
- Short-term (18 months -5 years) and long-term (5+ years) initiatives by group

- Segment (association, trade show, corporate, affinity)
- Outline of SDTA marketing support required for these initiatives
- Proposed trade show/industry event participation
- Proposed in-market sales missions & client events
- Proposed familiarization (FAM) events to be hosted in San Diego
 - SDTA's consumer marketing plan which influences convention attendee behavior
- Citywide Sales/Services Team Deployment
- Preview of Convention Services calendar of conventions arriving from July 1
 - of the fiscal year through the next 18 months
- Performance Metrics/Targets (ie, team room night goal)

2.2.2 Budget- SDTA's proposed annual line-item budget shall contain a detailed breakdown of proposed expenditures for the contract year directly attributable to the Services required by this Contract, performance measures, and any additional information Corporation may require. This breakdown will include, but not be limited to: total salary & benefits costs, operations costs such as travel & entertainment, event registration and exhibit costs, membership dues & subscriptions, office supplies, and phone/IT costs.

2.2.3 Deadlines for Annual Program of Work and Annual Line-Item Budget

At least ninety (90) days before the first day of the contract year, SDTA shall submit to Corporation a proposed annual program of work ("Annual Program of Work") and a proposed annual line-item budget (Annual Line-Item Budget") for selling the Center for the contract year. At least thirty (30) days before the first day of the contract year, Corporation shall notify SDTA in writing whether SDTA's proposed Annual Program of Work is approved. In the initial year of this Contract, the annual program of work and the annual line-item budget shall be submitted within thirty days after signature of this Contract. The proposed Annual Program of Work, which will be agreed upon annually, shall establish performance metrics for the Contract. Corporation may not unreasonably withhold approval of the Annual Program of Work. The following factors shall be considered in determining whether a proposed Annual Program of Work (including the performance metrics contained therein) shall be reasonably approved:

- A proposed Annual Program of Work that provides for substantially equal (or better) work as compared to a past Annual Program of Work that was previously approved by Corporation weighs in favor of approval, provided that SDTA was substantially in compliance with the performance metrics set under the past approved Annual Program of Work;
- A proposed Annual Program of Work that provides for substantially equal (or better) work as called by data forecast as set forth by a reputable industry firm (ie: STR, Tourism Economics, etc.) to the Corporation weighs in favor of approval.
- A proposed Annual Program of Work may deviate from the above factors, and still be required to

be reasonably approved, if warranted by external circumstances such as economic recession, significant shifts in industry trends, expansion of the Center, and/or significant external political restrictions. Corporation's unreasonably withholding of approval of the Annual Program of Work shall be considered a material breach of this Contract.

2.3 SDTA's Performance

2.3.1 Performance

STDA shall perform all work in the approved Annual Program of Work and all reasonably related tasks requested by Corporation in an efficient and professional manner. Performance of the Annual Program of Work is a material obligation of this Contract and failure to meet such performance measures as shown in the Annual Program of Work will be considered a "Material Breach" as specified in Section 8 of this Contract. SDTA shall at all times use its best efforts to identify, attract, and secure national convention and trade show business for the Center. SDTA shall perform all work within the limitations of the approved Annual Line-Item Budget.

Performance measures within the Annual Program of Work must include:

- Room Night Goals for the proposed fiscal year.
- Revenue (facility rental fees) projection for the proposed fiscal year as specifically provided for within the Program of Work.
- Beginning in FY '24, room night crossover targets for each year for the next 10 years.
- Attendance-growth strategies
- Ancillary income targets

2.3.2 Separate Accounts

STDA shall keep accurate records and accounts of funds paid to it by Corporation pursuant to this Contract, and shall keep such accounts and records separate and identifiable from all other accounts.

2.3.3 Trade Associations

STDA shall join any trade associations mutually agreed upon by SDTA and Corporation. Any cost for joining any such associations shall be included in the approved Annual Line-Item Budget.

2.3.4 Cooperation

SDTA shall at all times cooperate in good faith with Corporation and with Corporation's in-house staff.

2.3.5 Compliance with Corporation Policies

SDTA shall comply with all Corporation policies, resolution, rules and regulations, as they apply to the work being performed by SDTA under this Contract.

2.4 Reporting

2.4.1 Progress Reports

To update the Corporation on its progress, the SDTA shall:

- Submit monthly Sales Activity Reports to the Corporation
- Submit a mid-year report detailing its progress in meeting the objective and goals set forth in the Annual Program of Work
- Attend Corporation's Sales & Marketing Committee meetings
- Attend, as requested from Corporation, and San Diego City Council EDI&R meetings
- Submit end of year summary report
- Citywide Sales Strategy Session: at least every three years, SDTA will plan and execute a strategy session with an outside facilitator to include the President/CEO and sales leadership from both the Corporation and SDTA and sales leadership from the key citywide hotel partners (Hilton, Marriott, Hyatt, & Omni) to ensure alignment towards strategy & philosophy of attracting citywide conventions for the Corporation.
- Submit mid-year and end of year report on staffing levels, to ensure budgeted line items for staffing have been reasonably utilized as outlined in the budget for the fiscal year.

SECTION 3: COMPENSATION

3.1 Beginning July 1, 2022,, , Corporation shall pay to SDTA for the performance of those services by SDTA described in this Contract the total amount of \$2,650,000 annually, payable in equal monthly amounts of \$220,833.34 within five (5) business days of submittal of monthly invoices.

3.2 Compensation for each subsequent year of the Initial Term shall be determined through an annual negotiation between Corporation's Sales/Marketing Committee and SDTA, which shall be submitted to the Corporation's Board of Directors and SDTA's Board of Directors for approval at the time of or before approval of the Corporation's budget for the next fiscal year; provided, however, that the annual

compensation will increase at least 3% per year during the term of this Contract without further approval of the Board of Directors. In the event the Parties fail to reach agreement by that time, the Parties may proceed under the Alternative Dispute Resolution procedures set forth in Section 8.7 hereof.

3.3 Unless otherwise agreed between the Parties, SDTA shall submit to Corporation an invoice on the first day of each month for one twelfth of the annually approved fee, payable within five days of receipt as set forth above.

SECTION 4: TERM; OPTION TO EXTEND

4.1 This Contract shall be in effect for an initial term of five years ("Initial Term") commencing on July 1, 2022 and terminating on June 30, 2027, unless sooner terminated as provided herein.

4.2 Following the Initial Term, Corporation may extend the term for one additional five (5) year term ("Extension Term") by giving ninety (90) days written notice to SDTA. Beginning with the first Extension Term (fifth year of the Contract beginning June 30,, 2027) Corporation's annual decision to extend the Initial Term for the additional term will take into consideration, among other factors, SDTA's fulfillment of the performance goals set forth in the Annual Program of Work and conditional upon agreement by the Parties on the compensation to be paid for the Extension Term.

SECTION 5: REPORTING REQUIREMENTS; OBLIGATIONS

5.1 SDTA shall provide to Corporation, in a form suitable for presentation, written status reports on the programs and activities funded pursuant to this Contract. These reporting requirements shall include but are not limited to monthly activity reports on sales and bookings, quarterly reports with a presentation to the Corporation's Board of Directors, and semiannual reports to the Economic Development and Strategies Committee of the San Diego City Council and the full San Diego City Council. The Corporation shall approve the timing, form and content of such status and outcome reports, which shall include the extent to which SDTA's performance of Services pursuant to this Contract is contributing to the fulfillment of the objectives of this Contract, including the production goals set forth in the Annual Program of Work.

5.2 Business and Financial Records; Inspection. SDTA shall maintain accurate financial books and business records consisting of all records related to the Services provided pursuant to this Contract ("Books and Records"). Said Books and Records shall be maintained in accordance with generally accepted accounting principles, and shall include, but not be limited to: contracts with approved subcontractors, agreements with licensees; invoices, memoranda, correspondence, any and all other information on business transactions directly or indirectly pertaining to the Services provided for in this Contract.

SDTA shall preserve the Books and Records for this Contract and all prior contracts between the Parties (if any), throughout the term of this Contract and for an additional four (4) years following termination of the Contract. SDTA shall make the Books and Records available for audit and examination by Corporation.

During the term of this Contract, and for an additional four years following termination of the

Contract, SDTA shall allow Corporation or its auditors, at all reasonable times, to inspect and copy said Books and Records.

5.3 SDTA agrees to be bound by the City of San Diego Equal Employment Opportunity Ordinance (Municipal Code Chapter 2, Article 2, Division 27). Said ordinance specifies the provisions of the City of San Diego Equal Employment Opportunity Program, which is administered under this Contract by Corporation.

5.4 SDTA shall comply with all California State and Federal Wage and Hour laws and all California and Federal laws and regulations governing employment and conditions of employment. SDTA shall comply with the Workers' Compensation Act of the State of California and any amendments thereto that are applicable.

5.5 SDTA shall assume full responsibility for the actions of all SDTA personnel performing Services pursuant to this Contract, and shall be solely responsible for their supervision, direction and control, and for payment of salaries (including withholding and payment of personal income taxes, unemployment insurance, disability insurance and Social Security) as required by applicable federal, state and local laws. Personnel supplied by SDTA to perform any Services pursuant to this Contract shall be deemed to be employees of SDTA and shall not, for any purpose, be considered employees or agents of Corporation.

5.6 SDTA shall advise all employees performing services pursuant to this Contract of the City of San Diego's DRUG FREE WORKPLACE POLICY (City Council Policy #100-17) which states: The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited at the San Diego Convention Center. Employees of SDTA must agree to the terms of this policy as a condition of employment and be advised that violations of this policy shall result in appropriate disciplinary action up to and including termination, and that if an employee is convicted of a violation of a criminal drug statute, occurring in the workplace, said employee is required to notify his or her supervisor of this in writing no later than five (5) calendar days after such conviction.

5.7 SDTA shall comply with the City of San Diego Living Wage Ordinance (San Diego Municipal Code Section Chapter 2, Article 2, Division 42).

5.8 SDTA shall comply with the City of San Diego Equal Benefits Ordinance (San Diego Municipal Code Section Chapter 2, Article 2, Division 43). In accordance with the Equal Benefits Ordinance, SDTA must certify that it will provide and maintain equal benefits to its employees with spouses and its employees with domestic partners for the duration of this Contract, and notify employees at the time of hire and during open enrollment. Failure to maintain equal benefits is a material breach of this Contract.

5.9 SDTA and its employees, agents and representatives shall comply with all applicable federal, state and local laws in the performance of this Contract.

5.10 Booking Guidelines. SDTA and its employees, agents and representatives shall follow the Convention Center Facility Rental & Contracting Guidelines (Exhibit "A").

5.11 Media Inquiries. SDTA or the Corporation will be the primary contact responsible for media requests and general communication for events booked by their respective Sales Teams. The Corporation will handle all media inquiries specific to operations of the Center.

SECTION 6: COOPERATION; ACCESS TO DATA; DISPUTE RESOLUTION

6.1 Mutual Cooperation. Each of the Parties agrees to fully cooperate in good faith with the other in connection with the services provided under this Contract and matters related to or arising hereunder, including without limitation, SDTA's cooperation with Corporation to enable Corporation to analyze and utilize data which may be collected as a result of activities performed under this Contract.

6.2 Records Access. SDTA shall provide Corporation with data and records related to the provision of Services under this Contract which are necessary for compliance with City audits.

6.3 Negotiation of Disputes. This shall constitute negotiations contemplated in Section 8.7 below and thereafter the remaining provisions of Section 8.7 shall govern to the extent applicable.

SECTION 7: PROPERTY RIGHTS AND OWNERSHIP

7.1 All deliverables and work product of SDTA (and their respective subcontractors) of every type and form purchased or produced under this Contract and, all equipment, hardware, software, or programs, for which the Corporation has paid pursuant to said Contract or otherwise; including but not limited to web sites, domain names, other electronic files, intellectual property, writings, art work, advertising; layouts, brochures, photographs, films, slogans, logos, production (including but not limited to radio and/or television commercials), collateral materials, jingles, announcements, statements, and speeches, shall be the sole property of Corporation, free of any right, title or interest of any kind in SDTA and its respective subcontractors, and SDTA shall transmit the same, and any rights associated therewith, to Corporation at the conclusion or termination of this Contract, or upon Corporation's request prior thereto. SDTA shall always retain sole ownership to its property (including but not limited to trademarks, copyrights, and patents) developed independently from, prior to, or outside the scope of work of this Contract.

7.2 Notwithstanding the foregoing, SDTA shall have a non-exclusive license for the duration of this Contract to use any of the intellectual property, writings, art work, advertising, layouts, brochures, photographs, films, slogans, logos, production (including but not limited to radio and/or television commercials), collateral materials, jingles, announcements, statements, and speeches, referred to above.

SECTION 8: TERMINATION

8.1 Termination by Expiration. This Contract shall terminate upon expiration of its Initial Term or Extension Term, unless extended in writing by mutual agreement of the Parties pursuant to Section 4 of this Contract, or unless sooner terminated pursuant to the provisions of this Section.

8.2 Termination by Mutual Consent. The Contract may be terminated by mutual consent of the parties.

8.3 Termination for Cause. In the event that SDTA shall default in the material obligations or conditions set forth in this Contract and such default continues unremedied for thirty (30) business days after written notice of said material default to SDTA, thereupon, at Corporation's option, this Contract may be terminated, however, Corporation must always first proceed under the Dispute Resolution procedures set forth in Section 8.7 hereof. The following circumstances shall be considered material for purposes of this section:

a. No approved Annual Program of Work or approved Annual Line-Item Budget. In the event that Corporation does not approve an Annual Program of Work and/or an Annual Line-Item Budget at least forty-five (45) days before the first day of the next contract year (subject to the reasonableness restrictions described above), the Corporation may terminate on the last day of the current contract year.

b. Failure to Perform the Annual Program of Work. In the event that SDTA fails to meet its obligations under the Annual Program of Work, when the obligations are viewed overall and over time, the Corporation may terminate the Contract with ninety (90) days notice.

c. Non-Appropriation. The continuation of this Contract is contingent upon the appropriation of funds to fund this Contract by the City and the receipt of such funds by the Corporation. In the event the Corporation does not receive funds from the City to pay for the services provided by SDTA in accordance with the Contract, Corporation must provide written notice of same to SDTA within 10 calendar days from when the Corporation receives notice. and In the event that funding from the City is reduced, Corporation reserves the right to reduce the annual compensation equal to but not to exceed the amount of the funding reduction from the City, to ensure the financial stability of the Corporation. The parties agree to negotiate in good faith to find a mutually agreeable annual compensation amount in light of the reduced funds from the City.

d. Change in External Control of SDTA. The Corporation may terminate this Contract with 30 days' notice to SDTA in the event that there is a change of external control at the SDTA (SDTA's duties under this Contract are assumed by a different entity or SDTA is merged with another entity or replacement of the majority of its board members within a 90-day period). Internal changes at SDTA such as election of new directors (subject to the majority change discussed previously), election of new officers, or bylaw amendments shall not qualify as a change in external control at the SDTA for purposes of this section. The termination of this Contract shall take effect at the end of the then fiscal year or within six months, whichever is a later date, but subject to modification as necessary to comply with the dispute resolution procedures outlined herein.

e. Bankruptcy. SDTA shall file a voluntary petition in bankruptcy or proceedings in bankruptcy shall be instituted against it and shall not be dismissed within 120 days after filing, or any court shall take jurisdiction of SDTA and its assets, pursuant to proceedings brought under the provisions of any federal reorganization act, or a receiver of SDTA's assets shall be appointed, or an assignment shall be made for benefit of creditors, or SDTA shall permanently be prevented by a final action of any federal or state from conducting or operating its business; or

f. Abandonment or Inability. SDTA abandons in whole or in part its Services provided for by this Contract or becomes unable to perform its Services under this Contract and such abandonment or inability continues for a period of thirty (30) days after SDTA's receipt of written notice from Corporation specifying such abandonment or inability.

8.5 Rights and Obligations upon Termination. On the effective date of termination of this Contract, SDTA shall immediately cease operations and Services hereunder, and surrender to Corporation all real and intellectual property belonging to it. All documents and records maintained by SDTA pursuant to or in connection with its performance of this Contract shall be promptly delivered to Corporation for copying, but in no event later the effective date of termination. Corporation shall pay SDTA any sums owing to SDTA pursuant to this Contract on or before the effective date of termination.

8.6 No Waiver of Breach or Default. Failure of either party to strictly and promptly enforce any of its rights to declare a default, require cure of default, and/or terminate this Contract shall not operate as a waiver of the default, breach, or Corporation's rights, or to defeat or affect in any way the rights of either party with respect of any such continuing or subsequent default or breach. No waiver shall be inferred from or implied by anything done or omitted by either party, except an express written waiver. All rights and remedies of either party with respect to default and breach shall be cumulative and not alternative. Each party expressly reserves the right to enforce any and all rights it has herein at any such time as the party, in its sole discretion, deems appropriate.

8.7 Dispute Resolution. The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Contract whatsoever by prompt negotiation as follows: Either party may initiate negotiations by written request to the other party setting forth the particulars of the dispute, the terms of the Contract involved in the dispute, and a suggested resolution. The Parties shall meet within twenty (20) days of receipt of the written request and shall meet as often as they mutually deem necessary to exchange relevant information and resolve the dispute. If a dispute cannot be settled through such informal negotiations, the Parties shall submit the dispute to non-binding mediation administered by a neutral professional mediator affiliated with and under the rules of the National Dispute Resolution Center ("NDRC"), Judicate West or JAMS, before having recourse in a court of law. If either Party refuses to participate in mediation, they shall not be entitled to recover attorneys' fees as provided in this Contract even if they ultimately prevail.

Any such mediation shall be held in San Diego, California. The Parties agree to select a mediator from NDRC's or JAM's panel of approved neutrals.

Any expenses of witnesses (including expert witnesses) for either side shall be paid by the Party producing such witnesses. All other expenses of the mediation, including required traveling and expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise.

Any agreements resulting from mediation shall be documented, in writing. All mediation results and documentation, by themselves, shall be "non-binding" and inadmissible for any purpose in any legal proceeding, unless such admission is otherwise agreed upon, in writing, by both Parties. Mediators shall

not be subject to any subpoena or liability and their actions shall not be subject to discovery.

If mediation fails to resolve the dispute, then the dispute shall be submitted to binding arbitration in San Diego, CA with the National Dispute Resolution Center ("NDRC"), Judicate West or JAMS to be governed by its commercial rules in effect at the time of submission. The Parties understand and agree that this arbitration provision means they waive any and all rights to jury trial. Only one arbitrator will be allowed. Either Party may enforce the award of the arbitrator. The decision of the arbitrator is final and binding and may be entered as judgment in any Court of competent jurisdiction. The Parties understand that they are waiving their rights to a jury trial.

The Party demanding arbitration shall submit a written claim to the other Party, setting out the basis of the claim. The responding Party shall have thirty (30) days in which to respond to this demand in a written answer. Within sixty (60) days after a written claim is initiated, the Parties shall select an arbitrator. If the Parties are unable or unwilling to agree on an arbitrator within that time, the National Dispute Resolution Center ("NDRC"), Judicate West or JAMS shall select the arbitrator. The arbitration shall take place in San Diego, CA at a time and place selected by the arbitrator. The fees and costs imposed by the arbitrator and the National Dispute Resolution Center ("NDRC"), Judicate West or JAMS shall be borne equally. The prevailing party shall be entitled to recover all reasonable attorneys' fees and costs from the non-prevailing party.

8.8 Continued Performance During Dispute Resolution. Unless this Contract is terminated pursuant to Section 8, and as long as Corporation is complying with all terms of this Contract, including but not limited to, making all payments invoiced for Services, SDTA shall not cease performance of this Contract during the resolution of any dispute and shall continue to perform in accordance with the terms of the Contract. All other provisions of the Contract shall remain in full force and effect during the dispute resolution process.

SECTION 9: CORPORATION'S DUTIES

9.1 Cooperation

- a. Corporation shall cooperate in good faith with SDTA and SDTA's staff. Corporation shall attend meetings reasonably requested by SDTA related to the services required by the Contract, provided that SDTA provides sufficient advance notice to Corporation, so that Corporation has reasonable opportunity to arrange attendance.
- b. Corporation shall work cooperatively and in good faith with SDTA to negotiate facility charges with potential clients, provided, however, that SDTA understands and agrees that Corporation has the final right to determine all facility charges.

9.2 Notification of Corporation Policies

Corporation shall provide SDTA with updates of policies, resolution, rules and regulations that are necessary for SDTA's compliance with the requirements of this Contract.

9.3 Corporation Reporting

Corporation shall provide SDTA with information related to the services required by this Contract in a timely and complete manner, so as not to delay SDTA's performance of reporting requirements that may be dependent on such information.

9.4 Maintenance of Records

SDTA shall maintain all of its records relating to this Contract on a generally accepted accounting basis and allow Corporation the opportunity to inspect and/or copy such records at a convenient place during normal business hours. All required records shall be maintained by SDTA for three years after Corporation makes a final payment and all other pending matters are closed.

9.5 Ownership of Documents

All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by SDTA for the purpose of marketing and selling the Center are the property of Corporation, and it is agreed by the parties that such documents are works made for hire. SDTA hereby conveys, transfers, and grants to Corporation all rights of reproduction and the copyright to all such documents.

SECTION 10: NON-DISCRIMINATION

10.1 SDTA shall not, in connection with the performance of work under this Contract, discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, age, sexual orientation, handicap, or disability.

10.2 SDTA shall not, in connection with the performance of work under this Contract, discriminate because of race, color, religion, creed, national origin, ancestry, age, sex, sexual orientation, handicap, or disability against any licensee, applicant for a license, invitee, patron, or any other person attending, employed in, or participating in any event or activity at the Center. SDTA shall ensure that all employees, including supervisory employees, assigned on either a permanent or part-time basis to provide services under this Contract shall have been instructed, prior to such assignment, regarding laws and regulations against harassment and other forms of discrimination based on sex, race, color, religion, creed, national origin, age, disability, and sexual orientation.

10.3 SDTA shall ensure that its employees performing services pursuant to this Contract are familiar with Corporation Policy regarding Harassment, and do not engage in any form of behavior which would contribute to a hostile work environment for employees of Corporation, or other contractors of Corporation and, upon being made aware of any such behavior through notice from the Corporation or otherwise, shall take prompt and effective corrective action.

10.4 SDTA shall indemnify and hold harmless Corporation, its Board, officers, representatives, contractors, agents and employees, in both individual and official capacities, against all suits, claims, damages, losses and expenses including but not limited to reasonable attorney's fees, arising out of any failure by SDTA, its officers, representatives, contractors, agents or employees to comply with the terms of this Section.

SECTION 11: INDEMNIFICATION

11.1 SDTA, at its expense, shall indemnify, defend, and hold harmless Corporation, City of San Diego, San Diego Port District and their respective members, officers, directors, agents and employees, from all suits, claims, damages, losses and expenses, including reasonable attorneys' fees, arising out of performance of this Contract and caused or claimed to be caused by SDTA, its employees, agents, or officers, or anyone engaged by SDTA in the performance of this Contract. To the extent the foregoing applies, claims arising from, connected with, caused by, or claimed to be caused by the active or passive negligent acts or omissions of Corporation, City of San Diego, or San Diego Port District, and their respective agents, officers, or employees, in combination with the active or passive negligent acts or omissions of SDTA, its employees, agents, or officers, are covered. SDTA's duty to defend, indemnify, and hold harmless shall not include any claims or liabilities arising from the sole negligence or sole willful misconduct of Corporation, City of San Diego, or San Diego Port District, their agents, officers, or employees. Corporation shall give SDTA prompt notice of any claim, threatened or made, or suit instituted against it, which could result in a claim for indemnification hereunder, provided, however, that lack of such notice shall not necessarily be a waiver of SDTA's indemnification of Corporation. The obligations herein shall not be construed to negate or abridge any other obligation of indemnification running to Corporation, which would otherwise exist.

11.2 Corporation, at its expense, shall indemnify, defend and hold harmless SDTA, its Board, officers and employees, from all suits, claims, damages, losses and expenses, including reasonable attorneys' fees, arising out of Corporation's obligations under this Contract and caused or claimed to be caused by Corporation, its employees, agents, or officers related to Corporation's obligations under this Contract. To the extent the foregoing applies, claims arising from, connected with, caused by, or claimed to be caused by the active or passive negligent acts or omissions of SDTA, and its respective agents, officers, or employees, in combination with the active or passive negligent acts or omissions of Corporation, its employees, agents, or officers, are covered. Corporation's duty to defend, indemnify, and hold harmless shall not include any claims or liabilities arising from the sole negligence or sole willful misconduct of SDTA, its agents, officers, or employees. SDTA shall give Corporation prompt notice of any claim, threatened or made, or suit instituted against it, which could result in a claim for indemnification hereunder, provided, however; that lack of such notice shall not necessarily be a waiver of Corporation's indemnification of SDTA. The obligations herein shall not be construed to negate or abridge any other obligation of indemnification running to SDTA, which would otherwise exist.

SECTION 12: GENERAL PROVISIONS

12.1 SDTA is and shall remain an independent contractor. Neither SDTA nor its agents or employees shall act as officers, agents, or employees of Corporation. SDTA has no authority to assume or

create any commitment or obligation on behalf of Corporation, or to bind Corporation in any manner, except as otherwise set forth herein. This Contract does not constitute a partnership or joint venture, and does not confer any ownership or other rights, titles or interests, except as specified herein.

12.2 Force Majeure. The obligation of any party to perform any acts herein shall be suspended during the period such performance is prevented by acts of God; war; riot; invasion; fire; accident; strike or walkout; government interference, regulation, appropriation, or rationing; or by inability to secure goods because of the foregoing conditions. The obligation to perform shall resume immediately upon cessation of the force majeure condition(s).

12.3 Notices. Any notice required by this Contract shall be deemed to have been sufficiently communicated when (1) personally delivered or (2) on the second (2nd) business day after mailing by overnight delivery, postage prepaid:

to Corporation addressed:

President and Chief Executive Officer
San Diego Convention Center Corporation
111 West Harbor Drive
San Diego, California 92101

with copies to:

General Counsel
San Diego Convention Center Corporation
111 West Harbor Drive
San Diego, California 92101

or to SDTA addressed:

President and Chief Executive Officer
San Diego Tourism Authority
750 B Street, Suite 1500
San Diego City, California 92101

In the event that notice is provided by either party under Section 8 (Termination: Default) of this Contract, such notice shall also be provided to the City of San Diego addressed to and with a copy as follows:

Chief Operating Officer
The City of San Diego
202 C Street, 11th Floor
San Diego, California 92101

City Attorney
The City of San Diego
1200 Third Avenue, Suite 1620
San Diego, California 92101

12.4 Subordination. This Contract and the obligations of Corporation herein shall be subordinate to any ground and premises leases, and to obligations (including deeds of trusts, mortgages, bonds, and all instruments supplemental thereto), and all renewals, modifications, consolidations, replacements and extensions thereof, created or given by Corporation with respect to the Center. SDTA hereby covenants and agrees that it will at any time required by Corporation, during the term hereof and any extension or renewal, give and execute all further assurances as may be reasonably required to evidence and effectuate this subordination provision, to the holder or holders of any such leases or obligations.

12.5 Binding on Successors and Assigns. The provisions of this Contract shall be binding upon and shall inure to the benefit of the Parties and each of their respective successors and assigns, subject to

the limitations on assignment and subcontracting set forth herein below.

12.6 Severability. The Parties agree that any provision of this Contract that is held to be illegal, invalid or unenforceable under present or future laws shall be fully severable. The Parties further agree that this Contract shall be construed and enforced as if the illegal, invalid or unenforceable provision had never been a part of them and the remaining provisions of the Contract shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Contract. Any failure by Corporation to enforce a provision of the Contract is not to be construed as a waiver by Corporation of this right to do so.

12.7 Assignment and Subcontracting. SDTA shall not assign or transfer any interest in this Contract, whether by assignment or novation, without the prior written consent of Corporation.

12.8 Modifications and Amendments. No amendment or modification of this Contract shall be valid or binding unless made in writing and signed on behalf of each party by a duly authorized representative.

12.9 Singular, Plural, and Gender. As used herein, the singular shall include the plural and the masculine shall include the feminine or neuter.

12.10 Headings. All section and paragraph headings are for reference and convenience only and do not alter, amend, explain, interpret or otherwise affect the terms and conditions of this Contract.

12.11 Applicable Law, Jurisdiction and Venue. This Contract is made and entered into in the State of California and its interpretation and enforcement and the construction of its terms shall be governed by California law. Jurisdiction and venue for any dispute resolution proceeding hereunder shall be in the appropriate state or federal court located in San Diego County, California.

12.12 Entire Agreement. This Contract represents the sole and entire agreement between Corporation and SDTA, and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Contract, except to the extent that it is subject to the Agreement between Corporation and City and the Port/City Agreement.

12.13. Standard of Care; Licenses. SDTA shall perform the Services in a skillful and competent manner. SDTA shall be responsible to Corporation for any errors or omissions in its performance of the Services. SDTA represents and warrants to Corporation that it has in effect, and shall retain, throughout the term hereof, all licenses, permits, qualifications and approvals of whatever nature are required to practice its profession and perform the Services under this Contract.

12.14 Counterparts. This Contract may be signed in counterparts, and the counterparts taken together shall be deemed an original executed agreement. A signature may be delivered to the parties by fax or scanned and e-mailed document, and such fax or scanned signature shall be accepted and effective as an original signature.

12.15 Survival. The indemnification provisions set forth in this Contract and all provisions hereof which by their terms must necessarily be performed after the termination of this Contract shall survive such termination or expiration.

12.16 Compliance with Law. Contractor shall comply with applicable laws in effect at the time the Services are performed hereunder which, to the best of its knowledge, information and belief, apply to its obligations under this Contract.

12.17 Insurance. Notwithstanding the indemnification requirements of this Contract, SDTA shall, at its sole cost and expense, procure and maintain the following types and limits of insurance, containing the additional insured endorsements and cancellation clause set forth herein. Said insurance coverage shall be in effect from the effective date of this Contract until termination of the Contract. Upon demand of Corporation, SDTA shall deliver certificates of insurance evidencing the following coverage and endorsements:

- (1) **Commercial General Liability** policy with coverage as broad as ISO CG0001 in the occurrence form providing coverage against claims for bodily injury or death and property damage occurring in or upon and resulting from SDTA's performance under this Contract. Such insurance shall be primary and not require contribution from any of the additional insureds other insurance coverages, and shall afford immediate defense and indemnification, as named additional insureds, to CORPORATION, the CITY OF SAN DIEGO and SAN DIEGO UNIFIED PORT DISTRICT, to the limit of not less than \$1,000,000.00;
- (2) If SDTA intends or will use any vehicles in connection with this Contract, SDTA shall provide **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 0001) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall only be necessary to cover liability arising out of Contractor's use, if any, of vehicles in connection with this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- (3) Worker's Compensation Insurance as required by law;

All insurance policies provided by SDTA in satisfaction of this Section, other than Worker's Compensation insurance, shall include the following **additional insured endorsement** language:

SAN DIEGO CONVENTION CENTER CORPORATION, INC., CITY OF SAN DIEGO, SAN DIEGO UNIFIED PORT DISTRICT, AND THE MEMBERS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES OF EACH OF THESE THREE ENTITIES ARE NAMED AS ADDITIONAL INSURED.

Should any of the above-described policies be cancelled before the expiration date thereof, SDTA will promptly provide written notice to the Corporation, as soon as SDTA becomes aware of the cancellation. If

directed by Corporation, SDTA shall immediately obtain substitute insurance, acceptable to Corporation in its sole discretion and evidenced by an appropriate certificate and endorsement, within 10 days of the cancellation. Failure to comply with the insurance requirements herein shall be considered a material breach of this Contract.

The Parties agree and SDTA understands that the specified coverage or limits of insurance in no way limit the liability of SDTA. SDTA shall maintain, with respect to each such policy or agreement, evidence of such insurance coverage and endorsements required by this Contract.

In the event SDTA fails to provide the required certificates and endorsements of insurance by the due dates, after written notice to SDTA, Corporation shall have the right to cause policies meeting the requirements of this section to be issued in SDTA's name and the premiums for such insurance shall be payable by SDTA to Corporation.

IN WITNESS WHEREOF, the Parties have duly executed duplicate originals of this Contract on the date set forth on the first page hereof.

San Diego Convention Center Corporation

San Diego Tourism Authority

By: _____

By: _____

Its: Clifford "Rip" Rippetoe
President & CEO

Julie Coker
Its: President & CEO

Date: _____

Date: _____

Approved as to form:

General Counsel
San Diego Convention Center Corporation

EXHIBIT A

Agenda Item 3



SAN DIEGO CITYWIDE SALES DECEMBER 2021 SALES ACTIVITY REPORT

PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

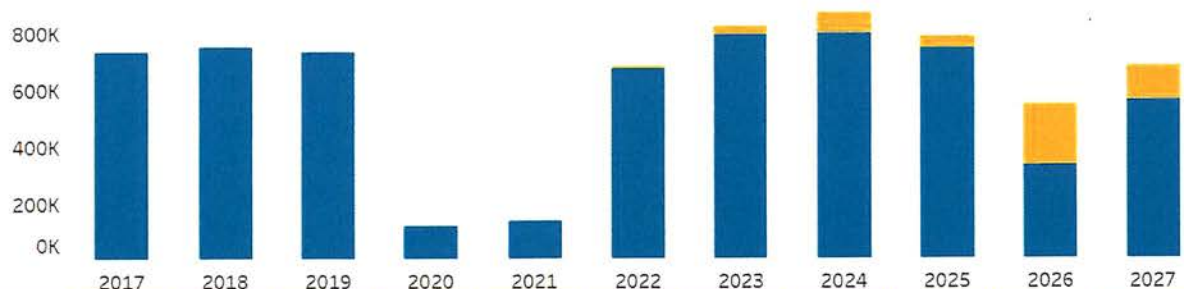
DEFINITE	FUTURE YR BOOKINGS	DECEMBER 2021	DECEMBER 2020	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
	CONVENTIONS	3	2	10	9	17
	ATTENDANCE	10,500	5,700	89,981	60,400	99,275
	ROOM NIGHTS	15,007	12,161	173,361	123,599	176,401
TENTATIVE	FUTURE YR BOOKINGS	DECEMBER 2021	DECEMBER 2020	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
	BOOKINGS	7	7	34	29	42
	ATTENDANCE	32,280	40,000	207,700	187,300	435,400
	ROOM NIGHTS	79,051	81,153	413,373	384,703	900,279

FY2022 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

	CUMULATIVE FY2022	CUMULATIVE FY2019
DEFINITE TOTAL ROOM NIGHTS	173,361 -2%	176,401
TENTATIVE TOTAL ROOM NIGHTS	413,373 -55%	900,279

ROOM NIGHT SUMMARY

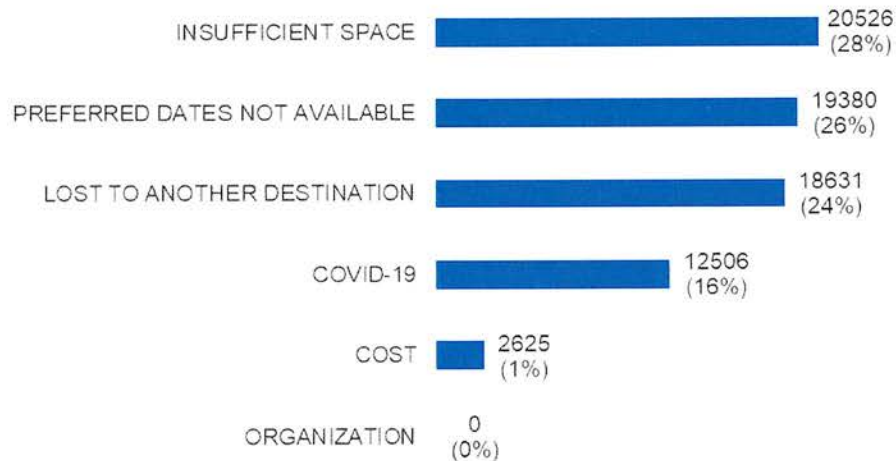
Figures based on calendar year.



Tentative Room Nights						3K	33K	67K	44K	209K	117K
Definite Room Nights	728K	746K	732K	120K	134K	673K	787K	796K	740K	330K	560K
Definite Conventions	43	43	57	14	12	52	46	40	32	20	24

DEFINITE EVENTS BREAKDOWN*Conventions, Trade Shows, Corporate & Incentive Events, DECEMBER 2021*

Account Name	Event Date	Begin Date	Event Date	End Date	Peak Room Nights	Estimated At- tendance	Definite Room Nights
Clarion Events	9/9/2023		9/15/2023		1,200	5,000	4,130
American Society for Quality	5/13/2024		5/16/2024		1,085	3,000	2,972
Jack Henry & Associates	9/7/2025		9/12/2025		2,250	2,500	7,905
Total					4,535	10,500	15,007

BREAKDOWN OF LOST BUSINESS*Conventions, Trade Shows, Corporate & Incentive Events, DECEMBER 2021***SITE INSPECTIONS (In-Person)***Definite Events unless otherwise denoted, DECEMBER 2021*

Account Name	Event Begin Date	Event End Date	Estimated Attendance	Estimated Room Nights
American Chemical Society	3/20/2022	3/24/2022	11,250	24,048
American Trucking Associations	10/22/2022	10/26/2022	3,000	6,512
AVID Center	6/27/2022	6/29/2022	5,000	9,129
	7/26/2022	7/29/2022	5,000	9,129
Cisco Systems Inc./George P. Johnson	6/9/2025	6/12/2025	17,000	54,727

CLIENT APPOINTMENTS

- AMERICAN ASSOCIATION FOR CANCER RESEARCH
- AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES
- AMERICAN COLLEGE OF SURGEONS
- AMERICAN DENTAL HYGIENISTS' ASSOCIATION
- AMERICAN HOSPITAL ASSOCIATION
- AMERICAN PLANNING ASSOCIATION
- ASSOCIATION OF AMERICAN MEDICAL COLLEGES
- CHICK-FIL-A
- GLOBAL BUSINESS TRAVEL ASSOCIATION
- GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
- HEART RHYTHM SOCIETY
- HMP COMMUNICATIONS, LLC/US PSYCH CONGRESS
- INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
- LEADING AGE
- MEDICAL GROUP MANAGEMENT ASSOCIATION
- MEETINGS & INCENTIVES WORLDWIDE
- NATIONAL APARTMENT ASSOCIATION
- NATIONAL BUSINESS AVIATION ASSOCIATION
- NATIONAL INDIAN GAMING ASSOCIATION
- NUTANIX
- PCMA
- SAS GLOBAL FORUM
- SOCIETY FOR HUMAN RESOURCE MANAGEMENT
- SOCIETY FOR SIMULATION IN HEALTHCARE
- STREAMLINE EVENTS
- TORO (ICW TO GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA)
- THE UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA
- WORKHUMAN
- ZE SUMMIT

INDUSTRY APPOINTMENTS

- ASSOCIATION FORUM HOLIDAY SHOWCASE;14 CLIENT ATTENDEES
- CALIFORNIA COMEBACK TASK FORCE
- CRW-WEST COAST DMO BOARD MEETING
- CVB REP HOLIDAY CLIENT EVENT
- DESTINATION REPS
- PCMA CAPITAL CHAPTER ANNUAL AWARDS CEREMONY
- SAN DIEGO/CHICAGO ANNUAL CLIENT BREAKFAST EVENT; 50 CLIENT ATTENDEES
- VISIT CALIFORNIA EVENT/RECEPTION, THE PENDRY CHICAGO
- VISIT CALIFORNIA SITE HOLIDAY EVENT - HUTTON HOUSE MINNESOTA; 56 PLANNERS



CONTACT: Andy Mikschl, *Executive Vice President, Sales, San Diego Convention Center*
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SHORT TERM BOOKING ACTIVITY

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

DEFINITE		FY22 DECEMBER 2021	FY21 DECEMBER 2020	CUMULATIVE FYTD 2022	CUMULATIVE FYTD 2021
	EVENTS	5	3	29	11
	ATTENDANCE	13,725	20,500	75,201	39,950
	ROOM NIGHTS	300	440	8,825	949
	RENTAL REVENUE	\$123,565	\$96,031	\$727,522	\$240,215

FY22 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$2,000,000	\$727,522	36.37%

CONTRACTED SHORT TERM EVENTS/ DEC 2021

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
TOTAL		13,725		300	\$123,565

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

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
TOTAL		75,201		8,825	\$727,522

Agenda Item 4

SAN DIEGO CONVENTION CENTER CORPORATION MEMORANDUM

TO: Board of Directors

FROM: Rip Rippetoe, President & CEO

DATE: January 26, 2022

RE: January 2022 President & Staff Report

Core Value: Collaboration – Two efforts are better than one, four are better than two ...

People and Culture:

- HR has been re-branded as the “People and Culture” Department.
- We are beginning interviews for the new Director of the People and Culture Department.

Finance/Accounting:

See memo attached in the packet after CEO/Staff report.

IT Security and Hardening out Defenses:

As we are trying to procure cyber security insurance, one of the carriers ran a cursory scan of our system. The good news is that no vulnerabilities were identified on our network! They did identify 13 vulnerabilities with our website but Scott, Eric and Maren are working with our vendor to resolve those issues ASAP.

Business Development:

- Hall C lobby display install has been delayed and should be completed by the end of the first quarter of 2022. The installation delay is due to supply chain issues with delay in delivery of equipment.
- There is strong demand from clients to purchase use of digital displays, as exhibitors and advertisers are eager to buy sponsorship opportunities at events.
- We have authorized the installation of approximately 10 smaller digital displays throughout the building. These will be sold to clients and eventually local advertisers (working with

Agenda Item 4

SDTA on partnership to sell digital to those local advertisers). Several of the displays have been installed, with more to be completed in the coming weeks.

Sales:

- We are working with SDTA and the SDCC Sales Committee to finalize sales & marketing contract.
- Along with SDTA colleagues, we attended PCMA in Las Vegas, Jan 9-12. There were approximately 2,000 in-person attendees from the meeting industry. We met with many existing and potential clients regarding future booking opportunities.
- We are negotiating/finalizing numerous client license agreements for future events.
- We have been negotiating with confirmed clients for 2022 on revised space and contractual terms, to account for changes to event formats and attendance estimates
- We have ongoing meetings with our consultant regarding eventual Venue Ops conversion, for both sales process and event license agreement process.

Event Management:

- Ongoing joint client calls are occurring to communicate updated and changing Covid protocols and requirements.
- We have significant site inspection activity with clients doing pre-planning meetings for upcoming events.

Venue Operations:

- Annual inspections for all fire extinguishers completed.
- All repairs noted on the wet fire suppression system annual inspection are completed.
- Mirror replacements in the following restrooms (silvering failed) - Dock H men & women's, Dock F men & Women's.
- Three large cast-iron/storm drain projects completed in P1.
- Annual underground storage tanks inspections completed by the County Of San Diego.
- Chiller 1-5 annuals have either been completed or are scheduled.
- Eddy current testing completed on two chillers.
- ATS switch on East Generator was replaced.
- The broken concrete planters outside of room 28 are repaired and painted. The foliage & irrigation have been replaced.
- Annual inspection on Fire Pump completed.
- Boilers 3, 4, and 6 received their annuals and tune-ups (boiler 5 is new and boilers 1 & 2 will be later this year since they just received significant repairs and tune-ups).
- Building assessment report received and will be reviewed internally.
- Electrical equipment in the west building column trees has been tested and will be getting IR scanning.
- The split unit system for Smart City Room 140 has been replaced (budgeted).
- Annual Sail inspection by Bird Air is complete and the report received.

Agenda Item 4

- East kitchen cast-iron grease line replacement in progress -10% complete.
- East/West generator PM has been ongoing each month. Both passed the 3 year NFPA load test in December.
- CMMS coordinator started this month.
- Siera AI contracted to provide digital driver pre-checks for forklifts, to stay in regulatory compliance.

Public Safety:

- Staffing continues to be developed for the large upcoming shows. Recruiting continues to be a challenge.

Marketing & Communications:

- Community: Partnered with CityTV and the Mayor Todd Gloria's office to host the Mayor's 2022 State of the City address on January 12. Our team partnered with the City on advance communications, digital graphics and logistics for the live-streamed event.
- Clients: Continued to support client communications and update our website with the latest guidance, protocols and regional vaccination rates. Coordinated with the Bridal Bazaar and Home Show on local web/social content.
- Internal: Started the internal rebranding of the People and Culture Department (formerly HR), in alignment with the Strategic Plan. Began the hiring process for a Digital Communications Specialist to assist communications with media, clients, staff and the public.

Government Affairs and Community Outreach:

- Our new Director of Government/Community Affairs, Juan Reyes, has begun his role.
- Juan is beginning to connect with Council Members' staff and with the Mayor's staff.
- Juan's focus will be on building relationships with regional leaders and community groups, monitoring legislation and representing the San Diego Convention Center in public forums.

CFO Report to Budget Committee
For the month ending December 31, 2021
(As of January 18, 2022)

Financial Outlook

For the month ending December 31, 2021, Corporation is trailing budget by \$6.6M, due to not yet drawing any funding from the City (budget assumed \$7.8M by the end of December). Based on recent discussions with City Finance management, we are continuing to request the full \$10.2MM subsidy support at this time given the uncertainty of the pandemic. Corporation in conjunction with City staff plan to do a Q3_2022 financial review before full City Council in late March 2022.

From a Net Operating perspective, based on the first half of the year, expenses exceeded revenues by \$4.3MM. Operating revenues and expenses in nearly all categories performed better than budget but still at an overall loss. Personnel expenses are projecting to be over budget by \$2M through year-end due to approved compensation adjustments (referenced below in Strategic Plan focus work). Directly offsetting that increase is projected savings in fringe benefits of nearly \$1M due to unemployment claims much lower than budgeted (including the extended subsidy from the government that ended in September). Additionally, two long-term Workers Comp claims closed with large contingency values that were released, resulting in a reversal of prior year expenses, and recognizing further savings this year. The delay of replacing fire system devices valued at \$670K until the latter half of the year is causing artificial savings through the first half of the year but is projected to be on-target to budget by year-end.

December 2021 ended with an unrestricted reserve balance of \$18.5M after making obligatory IBank payments and receiving \$4.387M of PPP loan forgiveness. We continue to monitor reserves closely with the City while tracking attendance rates and industry outlooks for travel projections. We are cautiously optimistic projecting a strong demand for in person meetings, but attendance is expected to remain between 25%-40% of pre-pandemic levels in the near term.

Strategic Plan focus work

- The facility condition report was received and is being evaluated by staff. More info will be provided following staff review.
- Staff is engaged with McDougal Love and Insurance Brokers to develop a Risk Management Policy and Procedure for claims review and filing. There has been a lot of activity recently with the need to update best practices. Some initial resources have been received in order to begin this project.
- Staff executed the initial compensation philosophy, which included key salary market adjustments, lump sum adjustments in lieu of performance reviews, and retention incentives. The delivery of these funds to the affected employees was very well received. Staff will continue to work on the overall compensation philosophy over the upcoming year.
- Staff continues to work closely with Forward Talent Strategies to develop job descriptions and identify key positions to rebuild the Human Resources (People and Culture) department in an effective way that will properly support the organization and its employees.

Project Updates:

- Fire Pump: Staff continues to coordinate with the Sr. Fire Protection Engineer at the City Development Services Department and engineering consultant to move this project forward through the permitting process at the City.

The project started in 2019 under a standalone fire suppression permit but was advised by the development group that our project is beyond the scope of a standalone fire suppression permit and would be considered a full tenant improvement project requiring submittals for building, mechanical, electrical, and fire suppression permits because of associated changes to the pump, controller, ventilation and exhaust systems. Staff, in coordination with Coffman Engineers and Bradshaw Engineering, is seeking clarity from the permits department of the City on how to satisfy permitting submittal requirements.

- West Building Roof: Procurement Staff engaged in direct negotiations with Gafcon based on their unique qualifications and significant experience in alternative energy projects. Gafcon presented a thorough plan for the foundational engineering investigations, analysis, and recommendations necessary to proceed with the roof project and determine the viability for an Energy Savings Contract. The proposal for this scope of work is being presented as an action item seeking approval at the January 2022 Board meeting.
- Dewatering Pumps: Staff met with the City Stormwater and Public Utilities Department in early January to evaluate the needs of the dewatering system. Based on the recent pump failures (7 of 16 pumps) and the approved interim solution of using sump pumps to address the emergent issue as a component replacement of the larger system, the City deferred planning for a full dewatering system replacement. Staff plan to invest in more sump pumps pending further assessment and will bring to the Board for approval in order to address immediate needs. The City noted that engineering plans will be requirement for planning of a full system improvement/replacement which can take up to five years to plan and identify funding for.

Finance significant areas of focus

- Full conversion of the financial system conversion is scheduled to take place in late January with user training underway. The facility management platform conversion (Venue Ops) is planned to cut over in early spring. Staff will plan for further enhancements and development of dashboard and real-time reporting over the next 12 months as part of a Phase II enhancement of this project.
- PPP2 forgiveness application process has been opened. Anticipated submission date for the remaining \$2M will be by end of March 2022.
- Marshal Yard planning to locate a new location when our lease expires next March will begin in the sprint. Planning with Freeman to detail proper specification needed. Will coordinated efforts with the City and Port for opportunities locally.
- City Compliance Officer to follow up to a FY2017 performance audit after the holidays related to funding mechanism of capital and maintenance needs related to the Convention Center. They are engaged in conversations with the Port related to long-term maintenance needs.

IT Systems areas of focus

- An HRIS manager now being recruited for with planning underway for a conversion of payroll, labor management and scheduling systems in order to allocate resources using a more efficient and automated process for managing operations labor pool. Enhanced reporting and analytical tools are part of the conversion strategy.