

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

TUESDAY, MARCH 23, 2021, 12:00 P.M.

AGENDA

**(Meeting to be held via teleconference pursuant to
State of California Executive Order N-29-20)**

**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 – Elvin Lai, Chair

2. Non-Agenda Public Comments

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

3. Board Committee Reports and Board Action Items

Consent Agenda:

- A. Approval of Minutes of Board Meeting of February 11, 2021 and February 23, 2021**

Discussion Item(s):

- B. Executive Committee (Elvin Lai)**

(1) Review of Draft Proposed SDCCC Strategic Plan

Action Item(s):

- C. Budget Committee (Allan Farwell)**

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

(2) Authorization to Approve Fiscal Year 2022 Budget

(3) Authorization to Approve FY 2022 CIP/Infrastructure and O&M Projections

- D. Sales & Marketing Committee (Jeff Gattas)**

4. **Chair's Report** (Elvin Lai)
5. **President's Report** (Rip Rippetoe)
6. **Board Comment** [Govt. Code § 54954.2(a)(2)]
7. **Closed Session**

A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Govt. Code section 54956.9 (d)(1)- 2 cases
Case No. 37-2020-00008163-CU-OE-CTL
Case No. 37-2020-00008111-CU-WT-CTL

Adjournment

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In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting online at visitsandiego.com. 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 FEBRUARY 23, 2021 Via Teleconference

BOARD MEMBERS PRESENT:	Chair Elvin Lai and Directors Carol Kim, Allan Farwell, Carlos Cota, Jeff Gattas, Shawn VanDiver and Jaymie Bradford
BOARD MEMBER(S) ABSENT:	
STAFF PRESENT:	Rip Rippetoe, Mardeen Mattix, Andy Mikschl, Kelly Revell 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 12:01 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 Farwell – Present
Director Cota – Present
Director Gattas – Present
Director VanDiver – Present
Director Bradford – Present

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

2. Non-Agenda Public Comment – None

3. Board Committee Reports and Board Action Items:

Consent Agenda:

A. Approval of Minutes of Board Meeting of January 26, 2021.

Directors Farwell and Bradford moved and seconded, respectively, to approve the Consent Agenda set forth hereinabove.

Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Aye

Vote: Unanimous

AYES: 7

NAYS: 0

ABSTENTIONS: 0

Action Item(s):

B. Executive Committee (Elvin Lai)

- (1) **Recap of SDCCC Board Retreat** – Chair Lai reported that the Retreat went very well and he requested feedback from Directors regarding their assessment of the event.

C. Budget Committee (Allan Farwell)

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

Directors Farwell and Kim moved and seconded, respectively, to approve the January Financial Reports from Chief Financial Officer

Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Aye

Vote: Unanimous

AYES: 7

NAYS: 0

ABSTENTIONS: 0

D. Audit Committee (Carlos Cota)

(1) Authorize Contribution to President & CEO's Defined Contribution Plan

Mr. Rippetoe recused himself from the discussion portion of this item.

Directors Cota and VanDiver moved and seconded, respectively, to Authorize Contribution to the President & CEO's Defined Contribution Plan

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

Vote: Unanimous

AYES: 7

NAYS: 0

ABSTENTIONS: 0

Mr. Rippetoe returned to the meeting at 12:37 p.m. Director Cota thanked CFO Mattix and the finance team for their hard work during these challenging times.

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

- Staff is continuing to process the information gathered at the Board Retreat in order to formulate an initial strategic plan outline. Staff will be breaking into group workshops to facilitate the process. Chair Lai also announced the formation of a Strategic Plan Ad Hoc Committee. The Ad Hoc Committee will keep progress checks on the Strategic Plan going forward. The Ad Hoc Committee will consist of Chair Lai and Directors Kim and Farwell.
- Staff is also reviewing the Re-Opening Guidelines and Mr. Rippetoe will provide an update regarding the Guidelines approval process.
- The next Board meeting is March 23, 2021.

5. President's Report (Rip Rippetoe) – Mr. Rippetoe reported there is no President's Report this month; however, he provided an update on the following matters:

- There are no details being put forth from Sacramento regarding re-opening; however, staff did provide talking points to the Mayor, Senate Pro Tem Atkins and Assembly Member Ward at their request. The Mayor has engaged in conversations with Dr. Galey and others and staff looks forward to hearing the outcomes of those conversations.
- SDCCC has had an inquiry regarding the possibility of the Center becoming a vaccination center perhaps as early as April. Staff is awaiting further details and Staff will update the Board as information is received.
- The amazing work that the SDCCC team has done in support of Shelter-to-Home operation sets the tone across the country. SDCCC has been operating 24-hours a day for almost a year and that is a remarkable task in and of itself. SDCCC has also seen our Centerplate partner provide over 1 million meals as of last week. As

Directors have opportunities, Mr. Rippetoe asked that the Board continue of support the Staff's contributions to one of the most vulnerable populations in our community.

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

There being no further business, the meeting adjourned at 12:48 p.m.

I, Carlos Cota, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on February 23, 2021 and that said minutes were approved by the Board of Directors on March 23, 2021.

Carlos Cota, Secretary

Agenda Items 3.C.2 and 3.C.3

SAN DIEGO CONVENTION CENTER CORPORATION

MEMORANDUM

TO: Board of Directors

FROM: Allan Farwell, Budget Committee Chair

DATE: For the Agenda of March 23, 2021

RE: Review of Fiscal Year 2022 Proposed Budget

BACKGROUND

The FY2021 budget went through three formal revisions before being adopted due to changing pandemic projections. Ultimately, the City and the Corporation agreed to forecast on a quarterly basis and worked closely together to ensure minimum reserve balances were maintained by the Corporation through year-end. With the delay of event activity anticipated into Q4-2021, the City extended the use of the Convention Center as a temporary homeless shelter through March of 2021. Additionally, the Corporation was able to secure a second PPP loan of \$2M to support operations post shelter demobilization until business resumes. **State mandated shelter in place executive orders continue to limit social gatherings and have designated venues for consideration in the last phase of their current re-opening plan.** With no event activity for all of FY2021, the Corporation reduced staffing by 75% and operated at critical cost levels in order to sustain budgetary losses. The Corporation anticipates finishing the year with an ending reserve balance of \$4,179,980, which meets the required minimum reserves of \$3M..

The Corporate budget is adopted by San Diego Convention Center Board of Directors and approved by the City Council of San Diego. In a traditional year, the Corporation is expected to balance operational spending to revenue generation along with capital spend and debt payment obligations to maintain minimum reserves. With business expected to resume in late 2021 and attendance anticipated to be at a significantly reduced rate, the Corporation will seek an operational subsidy from the City of San Diego for the FY2022 Budget.

DISCUSSION

Ending reserve balance for FY2021 is forecasted to be \$4,179,660 as of June 30, 2021. The San Diego Convention Center Corporation's FY2022 Proposed Budget produces an Operating Deficit of (\$13,558,320) before subsidy consideration. Additional Debt Service Obligation of \$1,693,530 and Capital expense items of \$1,214,250 cause an overall deficit total of (\$16,466,100). The Corporation and City of San Diego have been working closely through the pandemic along with San Diego Tourism Authority (SDTA) to forecast event projections. Realizing the devastation within the

industry and the need to rebuild it, in a combined effort, all entities are committed to ensuring the Corporation maintains a zero net reserve balance for FY2022 year-end.

FY2022 Proposed Budget assumptions include three months of anticipated loss of event activity in the first part of the year. Comparatively, FY2020 lost 3.5 months of event activity due to the pandemic and executive order limiting gatherings of large events. However, when comparing the effects between the two years, significant differences resulted due to less attendance expected in FY2022, reducing all categories of ancillary revenues with little impact to building rent revenue comparatively.

FY2022 Budget highlights and assumptions include:

OPERATING REVENUES total \$16.4M, or 57% of the FY2020 actual results

- Event revenues will be significantly less compared to prior years due to anticipated reduced attendance as business resumes and travel confidence increases over time
 - o Events are budgeted to resume in Q4 2021 at a 25% attendance capacity
 - o Beginning January 2022, attendance is projected to increase to 40%, with a 5% monthly incremental increase through year-end.
 - o Medical Shows aren't expected to resume in Q1_2022

PERSONNEL EXPENSES total \$17.8M, or 79% of FY2020 actual results

- Personnel will be less than pre-pandemic levels while business ramps back up
 - o Anticipate 80% recall of pre-pandemic levels by FY2022 year-end
 - o Reschedule shift work to maintain exceptional service with less staff
 - o Reinstatement of merit program for non-represented staff, continued step increases for represented staff and performance award program inclusive of service award recipients
 - o Continued unemployment claims through the first half of the year

SUPPLIES AND SERVICES EXPENSES total \$12.1M, or 91% of FY2020 actual results

- Operational Expenses are based on critical needs and required contractual obligations to maintain facility operations. Significant variances include:
 - o Repair & Maintenance includes a \$500,000 replacement of the east building smoke detectors to allow continuity of our fire life safety system
 - o Insurance expenses increased by over \$222,000 mostly the result of general liability and property insurance markets continued capacity constraints, as well as uncertainties related to the COVID-19 pandemic and natural disasters (hurricanes and wildfires),
 - o Marketing contract obligation (San Diego Tourism Authority) of \$2,241,010 was reduced to \$1,908,940 through renegotiations due to pandemic instability based on reduced staffing levels and limited travel as business resumes

NON OPERATIONAL GAIN total \$2.0M

- Paycheck Protection Plan - Round 2 (PPP2) loan forgiveness extraordinary gain of \$2,000,000 for funds received in the prior year but are anticipated to be forgiven in FY2022.

In order to maintain a balanced reserve budget, various sources of funds were identified to achieve such a feat. The Corporation anticipates using \$4,179,660 Operating Reserve funds from the prior year, the City of San Diego is committed to subsidize the Center operations totaling \$10,196,440, SDTA will contribute, through a TMD grant, \$90,000 towards event costs, and the CARES act PPP loan forgiveness program of \$2M will bring ending reserve balances to zero by June 30, 2022.

CIP and OPERATING CAPITAL BUDGET

Traditionally, the Corporation produces a 10-year Capital Improvement Plan for infrastructure projects (“CIP”) with Operating Capital and Major Maintenance (“O&M”) needs. The Corporation is currently undergoing a facility assessment intended to update the existing capital outlook plan to provide a strong baseline to address future needs and build a sustainable capital replacement program for the future. Therefore, FY2022 primarily focuses on the immediate and subsequent year needs while it works with the City to establish a plan.

FY2022 will focus on two critical CIP projects and limited O&M items. Capital improvement projects fund from Operational Reserves with the exception of the roof replacement funded from debt proceeds.

CIP: \$3,500,000

- *West Roof replacement project (\$6,800,000 total project cost to fund through IBank)*
This is a design build project anticipated to transpire over a two-year period and is currently in the qualification phase for prospective bidders. FY2022 budget is \$2,750,000 with the remaining \$4,050,000 scheduled for FY2023 based on anticipated construction schedule. The funding will be an extension of the current IBank loan in conjunction with the City of San Diego.
- *Completion of meeting room carpet replacement (\$750,000 to fund from reserves)*
This is to complete the replacement of the existing “aqua” meeting room carpet to match the updated “earth tone” public space carpet replaced last year. The initial carpet replacement phase concluded at the onset of the pandemic, at which time staff suspended the rest of the project in order to preserve funds. With the reopening anticipated in late 2021, completion of the carpet replacement project is essential to maintaining an aesthetically pleasing environment for our returning customers.

Operations & Major Maintenance “O&M”: \$464,250

- *ERP conversion continuation (\$100,000 remaining on project)*
Total Project value of \$350,000 approved by Board of Directors in September 2020.

Continuation of finance and operations software conversion started in December 2020 with anticipated completion by Dec 2021.

- *Kitchen Equipment (\$156,250)*
Equipment deferred from FY2021 that has exceeded its useful life. Glassware dish machine, broiler and kitchen hood need replacement and are critical points of failure in order to service future events.
- *Injector pumps, controls and alarms in Parking level 2 (\$150,000)*
Original equipment, over 30 years old, have exceeded useful life and are critical points of failure. Two pumps with controls work concurrently to pump sewage drained from a pit in P2 parking garage to the City of San Diego sewage treatment system. If one or both fail, it could flood the parking garage with sewage.
- *Bariatric Damper control replacement (\$58,000)*
Replacement of major component in original air handlers in west side of the building that will extend the useful life of the asset and maintain efficient airflow throughout the building.

STAFF RECOMMENDATION

Budget Committee recommends to the Board approval of the FY2022 Proposed Budget.

/s/

Allan Farwell, Budget Committee Chair

SAN DIEGO CONVENTION CENTER CORPORATION
FY2022 BUDGET - PROPOSED 03/11/21

	FY2020 ACTUALS	FY2021 BUDGET	FY2021 FORECAST	FY2022 PROPOSED BUDGET	FY2023 PROJECTION	FAVORABLE (UNFAVORABLE) FY2022 BUDGET to FY2020 ACTUALS	
						\$	%
OPERATING REVENUES							
Building Rent	\$6,816,666	\$588,310	\$403,530	\$6,220,630	\$9,420,970	-\$596,036	-8.7%
Food & Beverage	9,735,975	763,510	281,250	3,914,420	10,231,680	-5,821,555	-59.8%
Event Services	3,182,992	469,150	311,240	1,420,250	4,307,200	-1,762,742	-55.4%
Utilities	3,836,062	347,190	40,370	1,983,740	4,927,640	-1,852,322	-48.3%
Telecommunications	3,702,250	578,090	460,940	1,977,670	3,668,140	-1,724,580	-46.6%
Audio & Visual	809,296	57,550	0	410,810	981,670	-398,486	-49.2%
Business Development	249,979	181,450	160,000	433,490	817,600	183,511	73.4%
Interest/Investment Income	228,199	19,230	8,000	9,600	14,000	-218,599	-95.8%
Other Revenues	151,961	34,410	43,060	22,260	84,550	-129,701	-85.4%
TOTAL OPERATING REVENUES	\$28,713,381	\$3,038,890	\$1,708,390	\$16,392,870	\$34,453,450	-\$12,320,511	-42.9%
OPERATING INFLOWS							
City of San Diego - Marketing	\$2,133,025	\$0	\$0	\$0	\$0	-\$2,133,025	-100.0%
City of San Diego - Funding	0	0	0	10,196,440	0	10,196,440	100.0%
City of San Diego - Shelter Operations	508,212	13,798,200	20,801,180	0	0	-508,212	-100.0%
SD Tourism Marketing District (TMD)	0	0	0	90,000	0	90,000	100.0%
TOTAL OPERATING INFLOWS	\$2,641,237	\$13,798,200	\$20,801,180	\$10,286,440	\$0	\$7,645,203	289.5%
TOTAL REVENUES AND INFLOWS	\$31,354,618	\$16,837,090	\$22,509,570	\$26,679,310	\$34,453,450	-\$4,675,308	-14.9%
OPERATING EXPENSES							
Salaries & Wages - Full Time	\$13,773,201	\$9,022,880	\$8,535,870	\$10,888,620	\$13,282,550	\$2,884,581	20.9%
Salaries & Wages - Part Time	3,920,980	599,370	1,194,680	2,202,960	4,642,990	1,718,020	43.8%
Fringe Benefits	4,772,451	5,760,110	5,006,530	4,745,760	4,913,170	26,691	0.6%
TOTAL PERSONNEL EXPENSES	\$22,466,632	\$15,382,360	\$14,737,080	\$17,837,340	\$22,838,710	\$4,629,292	20.6%
General Expenses	\$2,831,889	\$1,654,600	\$1,231,260	\$1,402,390	\$2,123,130	\$1,429,499	50.5%
Repair & Maintenance	2,633,537	2,411,110	2,072,340	3,232,870	3,188,190	-599,333	-22.8%
Utilities	3,808,531	2,995,490	2,846,200	3,425,250	3,840,000	383,281	10.1%
Contracted Services	661,557	1,001,270	545,100	691,580	913,650	-30,023	-4.5%
Travel & Transportation	107,859	12,940	6,760	58,240	64,770	49,619	46.0%
Insurance	495,616	621,890	527,570	717,790	906,730	-222,174	-44.8%
Telecommunications	57,927	51,420	38,420	52,300	52,310	5,627	9.7%
Sales & Marketing	2,224,205	1,515,230	1,502,100	1,966,500	2,359,480	257,705	11.6%
Supplies	560,588	380,750	359,150	566,930	609,340	-6,342	-1.1%
TOTAL SUPPLIES & SERVICES	\$13,381,708	\$10,644,700	\$9,128,900	\$12,113,850	\$14,057,600	\$1,267,858	9.5%
TOTAL OPERATING EXPENSES	\$35,848,340	\$26,027,060	\$23,865,980	\$29,951,190	\$36,896,310	\$5,897,150	16.5%
NET OPERATING REVENUES / EXPENSES	-\$4,493,723	-\$9,189,970	-\$1,356,410	-\$3,271,880	-\$2,442,860	\$1,221,843	27.2%
EXTRAORDINARY GAIN ON DEBT FORGIVENESS	\$0	\$4,387,000	\$4,387,000	\$2,000,000	\$0	\$2,000,000	100.0%
DEBT SERVICE EXPENSES							
Interest Expense	\$891,362	\$864,220	\$864,220	\$836,100	\$806,980	\$55,262	6.2%
Loan Admin Fee	74,487	72,220	74,300	72,030	69,670	2,457	3.3%
Principal: Warehouse Lease	2,197	2,200	2,200	2,200	1,650	-3	-0.1%
Principal: IBank Loan	731,973	783,200	758,250	783,200	811,320	-51,227	-7.0%
TOTAL DEBT SERVICE EXPENSES	\$1,700,019	\$1,721,840	\$1,698,970	\$1,693,530	\$1,689,620	\$6,489	0.4%
NET OPERATING RESERVE IMPACT	-\$6,193,742	-\$6,524,810	\$1,331,620	-\$2,965,410	-\$4,132,480	\$3,228,332	52.1%
OPERATING RESERVE ACTIVITY							
	FY2020 ACTUALS	FY2021 BUDGET	FY2021 FORECAST	FY2022 PROPOSED BUDGET	FY2023 PROJECTION	FAVORABLE / (UNFAV) FY2022 BUDGET to FY2020 ACTUALS	
						\$	%
Beginning Operating Reserve	\$13,674,080	\$3,464,820	\$3,464,820	\$4,179,660	\$0	-\$9,494,420	-69.4%
+ Net Operating Revenues / (Expenses)	-4,493,720	-9,189,970	-1,356,410	-3,271,880	-2,442,860	1,221,840	27.2%
+ PPP Loan Forgiveness	0	4,387,000	4,387,000	2,000,000	0	2,000,000	100.0%
- Debt Service Obligation	-1,700,020	-1,721,840	-1,698,970	-1,693,530	-1,689,620	6,490	0.4%
- Capital Outlay:							
Capital Infrastructure Projects	-2,396,840	-325,000	-100,000	-3,500,000	-4,125,000	-1,103,160	-46.0%
Operating Capital	-1,618,680	-757,790	-516,780	-464,250	-469,500	1,154,430	71.3%
+ Debt Finance Capital	0	0	0	2,750,000	4,050,000	2,750,000	100.0%
Ending Reserve Balance	\$3,464,820	-\$4,142,780	\$4,179,660	\$0	-\$4,676,980	-\$3,464,820	-100.0%
Reserve Minimum Balance (8%)	\$3,003,000	\$3,003,000	\$3,003,000	\$3,003,000	\$3,003,000	\$0	0.0%
Over / (Under) Reserve Minimum Balance	\$461,820	-\$7,145,780	\$1,176,660	-\$3,003,000	-\$7,679,980	-\$3,464,820	-750.3%

FY2022 and FY2023 CIP/O&M: Critical Capital Infrastructure and Equipment replacement plan

CIP (Capital Infrastructure Projects)

Capital Type	Year	PRIORITY	PROJECT DESCRIPTION	Account Type	(Carryover)	FY 2022	FY 2023
CIP	FY21	1	Cast iron drain pipe replacement	Capital - Leasehold Improvements (30)	75,000	-	-
CIP	FY22-FY23	1	West Building Roof	Capital - Leasehold Improvements (30)		2,750,000	4,050,000
CIP	FY22	2	Modernization (Carpet) - Meeting Rooms	Capital - Leasehold Improvements (10)		750,000	
CIP	FY23	2	Digital Conventions phase III wiring	Capital - Telecom (5)			75,000
Total						3,500,000	4,125,000
Covered by IBank Debt						(2,750,000)	(4,050,000)
Funded from Reserves						750,000	75,000

O&M (Capital Operating & Major Maintenance)

Capital Type	Year	PRIORITY	PROJECT DESCRIPTION	Account Type	(Carryover)	FY 2022	FY 2023
Cap O&M	FY22	1	Glassware Dish Machine	Capital - Operating Equipment (15)		45,000	
Cap O&M	FY22	1	Broiler - Kitchen Equipment	Capital - Operating Equipment (15)		30,000	
Cap O&M	FY21-FY22	2	ERP Conversion (Event MGT. / Finance software system)	Capital - Information Systems (10)	250,000	100,000	
Cap O&M	FY22	2	Injector Pumps, Controls & Alarms; Replace - P2 South	Capital - Operating Equipment (15)		150,000	
Cap O&M	FY22	2	Barometric Damper controls (Albireo)	Capital - Operating Equipment (15)		58,000	
Cap O&M	FY22	2	Ansul (fire hood) - West Kitchen	Capital - Operating Equipment (15)		81,250	
Cap O&M	FY23	3	Bobcat SkidSteer S590 with grapple bucket, excavator, stump grinder	Capital - Operating Equipment (15)			95,000
Cap O&M	FY23	3	Trash Can cleaning machine	Capital - Operating Equipment (15)			90,000
Cap O&M	FY23	3	File server replacements (Security video)	Capital - Information Systems (10)			38,000
Cap O&M	FY23	3	19' Scissor Lifts: Replace	Capital - Operating Equipment (7)			18,000
Cap O&M	FY23	3	Carpet Vacuum (to replace sweeper) x 2	Capital - Operating Equipment (7)			50,000
Cap O&M	FY23	3	Robotic Vacuum 1 - Manufacturer/model TBD	Capital - Operating Equipment (7)			50,000
Cap O&M	FY23	3	Sweeper, Large ride on, Tennant S30	Capital - Operating Equipment (7)			39,000
Cap O&M	FY23	3	32' Boom Lift: Replace	Capital - Operating Equipment (7)			38,000
Cap O&M	FY23	3	Electric Tow Tractor (Mule) - 2	Capital - Operating Equipment (7)			16,500
Cap O&M	FY23	3	Yale Electric Forklift with Charger	Capital - Operating Equipment (7)			35,000
Funded from Reserves						464,250	469,500

Priority Ranking (definitions):

Score Considerations for ranking includes:

- 1 HEALTH; PUBLIC SAFETY; MANDATES
- 2 Frequent Problems, aging infrastructure/equipment (w/ a direct impact to P&L)
- 3 Public Demand; Benefits to the Community; Synergy w/ other projects
- 4 Dependent on available funding and planned replacements

Agenda Item 3.D



SAN DIEGO CONVENTION CENTER/ SHORT TERM SALES MARCH 2021 SALES ACTIVITY REPORT



CONTACT: Andy Mikschl, *Executive Vice President, Sales, San Diego Convention Center*
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 619.525.5282

SHORT TERM BOOKING ACTIVITY

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

DEFINITE		FY21 FEBRUARY 2021	FY20 FEBRUARY 2020	CUMULATIVE FYTD 2021	CUMULATIVE FYTD 2020
	EVENTS	2	8	15	67
	ATTENDANCE	208	35,750	55,158	123,209
	ROOM NIGHTS	0	7,995	1,429	22,840
	RENTAL REVENUE	\$4,400	\$416,230	\$367,865	\$1,547,642

FY21 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	2,600,000	\$367,865	14.2%

CONTRACTED SHORT TERM EVENTS FEB 2021

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Lifeproof Photo Shoot	02/09/21	8	0	0	\$800
Career Compass 2021	05/12/22	200	0	0	\$3,600
TOTAL		208	0	0	\$4,400

CONTRACTED SHORT TERM EVENTS/ FY21 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Epic Series Obstacle Challenge	11/21/21	1,500	0	0	\$21,800
Southern CA Rental Housing Conference	04/30/21	3,500	0	0	\$8,200
24 Seven Dance Convention/Break The Floor	03/11/21	650	65	169	\$25,795
Shamrock Expo 2021	05/08/21	1,600	300	340	\$21,800
South County Economic Development Summit 2021	10/05/21	500	0	0	\$7,709
Career Compass Real Estate Success Training 2021	05/06/21	200	0	0	\$3,450
Art San Diego 2021/ Redwood Media Group	09/28/21	10,000	0	0	\$25,830
Taking Control of Your Diabetes-2022	04/29/22	1500	0	0	\$29,600
AKC Meet The Breeds	08/13/21	17,500	160	320	\$53,200
BabyCon San Diego 2021	09/10/21	2,000	0	0	\$5,631
San Diego County Office of Education Equity Conference	01/19/22	1,000	60	120	\$37,200
Sharp All Staff Assembly 2022	03/25/22	14,000	0	0	\$76,250
IEEE/2022 Women In Engineering Conference	06/05/22	1,000	163	480	\$47,000
Summerjax + Lifeproof Photo Shoot	02/09/21	8	0	0	\$800
Career Compass Real Estate Success Training	05/12/22	200	0	0	\$3,600
TOTAL		55,158		1,429	\$367,865



PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

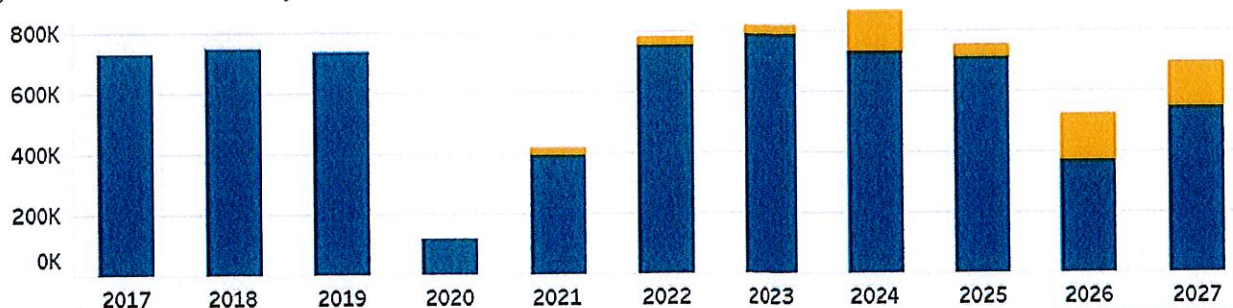
DEFINITE	FUTURE YR BOOKINGS	FEBRUARY 2021	FEBRUARY 2020	CUMULATIVE FY2021	CUMULATIVE FY2020
	CONVENTIONS	0	2	10	19
	ATTENDANCE	0	23,000	62,000	153,100
	ROOM NIGHTS	0	55,240	125,300	309,436
TENTATIVE	FUTURE YR BOOKINGS	FEBRUARY 2021	FEBRUARY 2020	CUMULATIVE FY2021	CUMULATIVE FY2020
	BOOKINGS	6	8	39	67
	ATTENDANCE	44,781	32,100	263,981	900,203
	ROOM NIGHTS	54,353	61,797	479,162	1,203,002

FY21 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

CUMULATIVE FY2021			
FY21 TOTAL ROOM NIGHTS		125,300	

ROOM NIGHT SUMMARY

Figures based on calendar year.

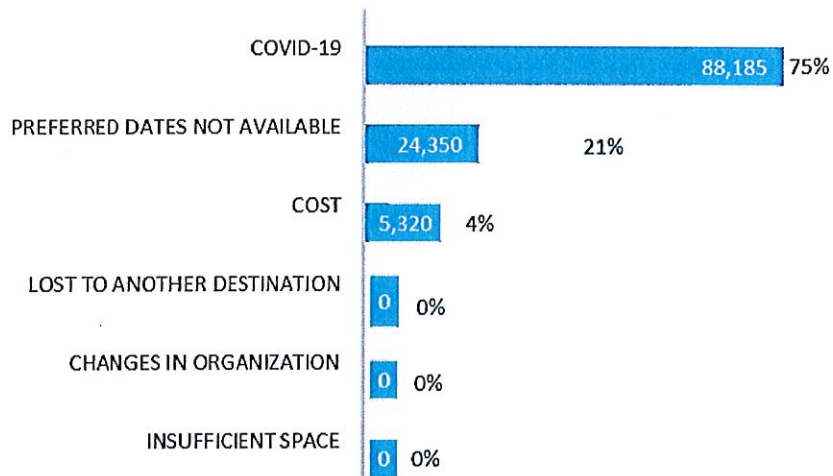


Tentative Room Nights					23K	28K	32K	131K	46K	153K	146K
Definite Room Nights	728K	746K	732K	120K	392K	752K	784K	731K	708K	371K	549K
Definite Conventions	43	43	57	14	31	54	44	37	27	21	23

BREAKDOWN OF LOST BUSINESS

Conventions, Trade Shows, Corporate & Incentive Events, FEBRUARY 2021

Lost Room Nights 118k



SITE INSPECTIONS

- DIGITAL SOLUTIONS COOPERATIVE—F2F
- TRANSPLANT GAMES—F2F
- MEDICAL GROUP MANAGEMENT ASSOCIATION—VIRTUAL

CLIENT APPOINTMENTS

- AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS
- AMERICAN ASSOCIATION CRITICAL CARE NURSES
- AMERICAN CHEMICAL SOCIETY
- AMERICAN COUNCIL ON THE TEACHING OF FOREIGN LANGUAGES
- AMERICAN EDUCATIONAL RESEARCH ASSOCIATION
- AMERICAN GEOPHYSICAL UNION
- AMERICAN PSYCHOLOGICAL ASSOCIATION

- BUFFINI & COMPANY

CLIENT APPOINTMENTS—CONTD

- CALIFORNIA PARK & RECREATION SOCIETY
- CETERA FINANCIAL GROUP/MARITZ
- CONFERENCE DIRECT
- DEBBY TUCKER AND ASSOCIATES
- DIGESTIVE DISEASE WEEK
- EQUINIX (MARITZ)
- ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE ESRI
- GES
- GREENBUILD/INFORMA
- HEART RHYTHM SOCIETY
- INFECTIOUS DISEASES SOCIETY OF AMERICA
- INTERNATIONAL ASSOCIATION FOR DENTAL RESEARCH

- AMERICAN SOCIETY FOR QUALITY
- AMERICAN SOCIETY FOR RADIATION ONCOLOGY
- AMERICAN SOCIETY OF ANESTHESIOLOGISTS
- AMERICAN SOCIETY OF MICROBIOLOGY
- AMERICAN THORACIC SOCIETY
- AMERICAN WATER WORKS ASSOCIATION
- AVID CENTER

- LEADING AGE
- MARITZ
- MCKESSON CORPORATION
- MEDICAL GROUP MANAGEMENT ASSOCIATION (MGMA) -ACMPE

CLIENT APPOINTMENTS—CONTD

- MORTGAGE BANKERS ASSOCIATION

- NACHA: THE ELECTRONIC PAYMENTS ASSOCIATION
- NATIONAL APARTMENT ASSOCIATION
- NEURAL INFORMATION PROCESSING SYSTEMS
FOUNDATION / HELMSBRISCOE
- ONPEAK
- PRA
- PRESTIGE ACCOMMODATIONS
- SAN DIEGO COMIC-CON
- SOCIETY FOR NEUROSCIENCE
- SOCIETY FOR VASCULAR SURGERY
- THE UNITED ASSOCIATION OF JOURNEYMEN AND
APPRENTICES OF THE PLUMBING AND PIPE FITTING
INDUSTRY OF
THE UNITED STATES & CANADA/CONVENTION SERVICES
UNLIMITED (UA)
- TRANSPLANT GAMES OF AMERICA

INDUSTRY APPOINTMENTS

- APEX WEBINAR
- CAL TRAVEL FORUM
- CVBREPS MEETING
- DESTINATION REPS MEETING
- GOLF COURSE SUPERINTENDENTS ASSOCIATION OF
AMERICA GIS VIRTUAL MEETING
- HOSPITALITY EVENT STRATEGISTS MEETING
- IAVM TOWN HALL MEETING
- PCMA COMMUNICATIONS SUB-COMMITTEE MEETING
- PCMA LUNCH AND LEARN
- PCMA MARKETING COMMITTEE MEETING
- PCMA MEETINGS
- PCMA MIX & QUIZ CLIENT EVENT
- US TRAVEL WEBINAR
- VISIT CALIFORNIA OUTLOOK VIRTUAL FORUM

Agenda Item 5

SAN DIEGO CONVENTION CENTER CORPORATION MEMORANDUM

TO: Board of Directors

FROM: Rip Rippetoe, President & CEO

DATE: March 23, 2021

RE: January 2021 President & Staff Report

Core Value: Courage – Not the absence of fear, but instead, moving forward with confidence, knowing the risks that lie ahead.

Thanks to the Executive Team, Maren Dougherty and Rita De la Fuente for helping to construct the content of this report.

Executive:

- Events at SDCC are cancelled effectively through July 2021.
- Operation Shelter-to-Home begins move-out this week.
- Discussions with UCSD and SD County continue regarding a vaccine center.
- Strategic Plan one-pager has been drafted and shared with the Ad Hoc Committee.

Human Resources:

- We continue to distribute UltiPro Training Videos and Domestic Violence Awareness Videos ((1) supervisor (1) employee)
- HR team continues to have two staff members in the office 8am – 5pm, M-F.

Finance:

- ERP project conversion is underway. Process control development and documentation efforts continue on the finance software applications while Ops team works on developing automated event processes in the Venue software side. Anticipated conversion timeline began in December and is anticipated to take 12 months for full conversion/testing. This will be the Corporation's first full conversion between platforms in 23 years.
- PPP round two for \$2,000,000 was received and will be used to help sustain operations after the shelter demobilizes until events resume. Banking platform conversion was successfully completed.

Agenda Item 5

- Ongoing budgetary adjustments and continued forecasting is being closely reviewed with City Finance team. Discussions regarding financing needs, operational support and future impacts continue to develop.
- The Facility Condition Assessment is underway with Aris Facility Services as the contractor. They will be starting the on-site inspections the first week of April.
- Roof planning is underway for a design build planning model. The solicitation for qualifications was issued in February to seek prospective bidders. The first phase will be to shortlist qualified candidates in order to proceed with round two (the RFP) for preliminary conceptual designs and price proposal.
- The collaboration efforts with Port, City and SDCC risk management teams to reduce General Liability excess insurance limits were successful in allowing the Convention Center to reduce from \$50M to \$25M for the upcoming renewal based on a 10-year claims history.

Business Development:

The following project opportunities are still being considered for development:

- *Opportunities*
 - We are continuing discussions and preliminary planning with Digital Conventions on Phase 2 of the Digital Signage program for public space of the Center, which will include new signage in lobbies C, D, F, & G. Specific timeline is still to be determined, but hope to have additional digital signage offerings available for clients by early fall of '21.
- *Hybrid Meetings*
 - We worked with On Site AV on potential options for in-house broadcast studio at SDCC, as most clients anticipate the need for this type of service as they plan for some form of virtual or hybrid component as part of their conventions for the foreseeable future.

Sales:

We continue to work with SDTA citywide sales & SDCC short-term sales teams on mutual cancellation for events into Q3 of '21. Currently in the process of cancelling remaining events in June and July. Additionally, having frequent and ongoing discussions and meetings with those remaining clients booked later into the calendar year and into '22, to provide updates on our re-opening plans, and to work with those clients on the specific logistical needs for their events.

- We are working to refine contractual language to address increasing client concerns, specifically related to force majeure, liability, performance obligations, etc. A majority of clients are now requesting substantially modified language in contract for future events, based on the ongoing uncertainty in the marketplace.

Agenda Item 5

- Working with other staff members on objectives and initiatives as part of the strategic planning process, to include re-opening guidelines and business model refinement.
- Working with SDTA to finalize FY22 program of work, which will outline SDTA sales strategies and goals for the coming FY. Initial submission has been received and is under staff review. We will be bringing this to the Sales & Marketing Committee for recommendation to the Board for formal approval. This will likely be in the next 30-60 days.

Venue Operations:

- The team continues to work with County Health Department and our Executive Team on adjusting the safe re-opening guidelines. We are still awaiting a response from the State.
- Team is developing updated operational protocols, current policies and honing in on event performance expectations while identifying opportunities to support our clients when events resume.
- We continue the consolidation of all storage spaces in anticipation of future re-opening needs.
- Continuing to prepare surplus inventory for auction.
- Continued efforts on documenting all related OSH matters via spreadsheet. Over 2,000 reports have been completed since 4/1/2020.

Shelter to Home Operations:

- The “Shelter to Home” program will demobilize by the end of March 2021.
- Testing for Covid19 continues on an on-going basis.
- Under Todd Temple, Director of Public Safety & Guest Services, our Public Safety Department has taken a larger role in overseeing and directing the contracted security staff for the shelter agencies.
- A full walk-through of the venue with the City team will occur on April 6 to determine repairs that need to be made from the use of the venue as a shelter.
- Repairs will commence in April.

Centerplate:

- Dr. Lou presented to our team about the importance of the flu vaccine as well offer open forum questions related to Covid-19.
- Centerplate has served approximately 1,100,000 meals in support of the sheltering operation.

On Site Audio Visual:

On Site has continued to support “Operation Shelter to Home.” Over the next several weeks they are continuing to finalize instructions for their staff so, upon return, procedures will be in place

Agenda Item 5

that meet local and federal guidelines. In addition, they have incorporated more virtual meeting technology into their efforts to support our customer's needs.

Smart City Technical Services:

Smart City is providing ongoing support for the "Shelter to Home" program. They have also developed a business continuity plan that includes a reduction of operating costs. The Smart City team has developed re-entry guidelines and trained their teams. A good deal of time is spent brainstorming ideas to support virtual meetings with their services.

Marketing & Communications

- Collaborated with the City and County on communications associated with the closure of Operation Shelter to Home and the distribution of vaccines to residents and staff.
- Supported client communications through web updates, photography (e.g., individually packaged meals) and a spring e-blast.
- Increased awareness of our team's efforts through press outreach about Centerplate's milestone of serving 1 million meals, Board member transitions, and staff spotlights.
- Communicated the lighting of our Sails Pavilion in support of Black History Month, International Women's Day, heart health awareness, and various other causes.

Government Affairs and Community Outreach:

- 3/16/21 Rip Rippetoe presented to the San Diego Chapter of the Meeting Planners International organization.
- 1/6-1/11/21 Rip Rippetoe and Mardeen Mattix briefed the five new City of San Diego Councilmembers on SDCCC's background, financial structure and shelter status.
- Rip Rippetoe and Mardeen Mattix briefed City staff and the Mayor on our budgetary outlook.