

**SAN DIEGO CONVENTION CENTER CORPORATION  
BUDGET COMMITTEE MEETING  
OF THE BOARD OF DIRECTORS**

**Director Carol Kim, Chair  
Director Elvin Lai  
Director Carlos Cota  
Director Jaymie Bradford**

**MONDAY, SEPTEMBER 14, 2020, 11:30 A.M.  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**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** - Carol Kim, Chair
2. **Non-Agenda Public Comment:**  
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 have not previously been before the Board. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.
3. **Approval of Proposed Minutes of July 29, 2020 Budget Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
  - A. Recommendation to Authorize Approval of Revised FY 21 Budget
  - B. Recommendation to Authorize Approval of Revised FY 21 CIP
  - C. Recommendation to Authorize Approval of ERP Conversion Project
  - D. Recommendation to Authorize Amendment to Centerplate Contract
6. **Staff Updates:**
  - CFO

- **President & CEO**

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

8. **Budget Committee Comment** [Govt. Code §54954.2(a)(2)]

### **Adjournment**

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

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 at the corporation's offices at 111 West Harbor Drive, San Diego, CA. Materials distributed to the board after the posting of this agenda also will be available online at [visitsandiego.com](http://visitsandiego.com). Please contact Pat Evans at (619)525-5131 or [pat.evans@visitsandiego.com](mailto:pat.evans@visitsandiego.com) if you would like to pick up 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.

MINUTES

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

**COMMITTEE MEETING OF JULY 29, 2020**

**BOARD MEMBERS PRESENT:** Chair Carol Kim and Directors Elvin Lai, and Jaymie Bradford

**BOARD MEMBERS ABSENT:** Director Carlos Cota

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

**ALSO PRESENT:** Julie Coker, SDTA President & CEO

1. **Call to Order:** Chair Carol Kim called the meeting to order at 11:00 a.m. at 111 West Harbor Drive, San Diego, California. Chair Kim noted that all Committee members were present except Director Cota. Chair Kim further noted that since this meeting is being conducted via teleconference, all votes will be recorded via roll-call.

2. **Non-Agenda Public Comment:** None

3. **Approval of Minutes of June 15, 2020 Budget Committee Meeting:**

Directors Bradford and Lai moved and seconded, respectively to approve the minutes from the June 15, 2020 meeting.

Director Kim -Aye  
Director Bradford – Aye  
Director Lai – Aye  
Director Cota –Absent

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**



4. **Chair's Report:** Chair Kim reported that as we move forward, it appears that we are going to face a more delayed reopening of the Center. The situation with the pandemic is not improving in any substantive manner. It also appears that with all of the fluctuations related to the economic openings and closings, we are going to see further delays which will, in turn, ultimately impact the Center's budget. Chair Kim thanked the staff, in particular the finance department, for all of the due diligence they are performing and the Board Members for their continued oversight. Chair Kim also suggested forming an Ad Hoc committee to address some of the strategic concerns regarding the Convention Center as the pandemic continues.

5. **Action Item(s):** Chair Kim requested public comment regarding any of the agenda items. Hearing none, presentations regarding the items commenced.

**A. Recommendation to Authorize Approval of Additional Funding for San Diego Tourism Authority (SDTA) for Long-Term Sales & Marketing Services for Fiscal Year 2021 Budget.**

**Directors Bradford and Lai moved and seconded, respectively, to recommend Approval of Additional Funding for San Diego Tourism Authority (SDTA) for Long-Term Sales & Marketing Services for Fiscal Year 2021 Budget.**

**Director Kim -Aye  
Director Bradford – Aye  
Director Lai – Aye  
Director Cota –Absent**

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

6. **Staff Updates:**

- **CFO: None**
- **President & CEO:** Mr. Rippetoe reported the following:
  - Staff is working hard to create a safe space as efficiently and economically as possible while still maintaining our quality as we continue to move forward during the pandemic.
  - Our sales team is in constant contact with our customers discussing options for the first quarter calendar year 2021. We are informing clients that they will be responsible for liquidated damages since there is no executive order requiring that they cancel events.
  - Hematology is still booked for December. SDTA and SDCCC are in ongoing discussions with the client regarding the event. SDCCC is participating in several different think-tanks that are discussing issues

related to convention center business. Mr. Rippetoe is also engaging in discussions regarding additional stimulus monies for venues and centers.

- The Center achieved the GBAC Star Certification. Only a dozen centers in North America have met the required standards for the Certification.
- SDCCC has become a member of CalTravel. Senior staff will be participating on CalTravel committees to keep abreast of new developments for reopening events in California.

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

8. **Budget Committee Comment** [Govt. Code §54954.2(a)(2)]: In response to Director Lai's question about SDCCC's eligibility for additional PPP funds, Ms. Mattix responded that SDCCC will probably exhaust the PPP funds previously received by July. At that time, SDCCC will begin the loan forgiveness process. Once the loan is forgiven, SDCCC may be able to qualify for future stimulus monies if they become available. The Committee also discussed the purpose of forming an Ad Hoc Committee related to COVID strategic planning.

There being no further business, the meeting adjourned at 11:52 a.m.

### CERTIFICATION

I, Carol Kim, Chair of the Budget Committee of the Board of the Directors of 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 Budget Committee of the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on July 29, 2020.

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Carol Kim, Chair

## Agenda Item 5.A & 5.B

### SAN DIEGO CONVENTION CENTER CORPORATION

#### MEMORANDUM

TO: Budget Committee

FROM: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of September 22, 2020

RE: Review of Fourth Iteration of Fiscal Year 2021 Proposed Budget (since BOD approval 3-24-2020, 4-20-2020 and 6-23-2020)

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#### **BACKGROUND**

The San Diego Convention Center Corporation budget is adopted by San Diego Convention Center Board of Directors and submitted for approval to the City Council of San Diego annually. Our FY2021 budget was approved March 26, 2020, then revised April 20, 2020 and again June 23, 2020, due to the COVID-19 pandemic based on continued loss of events. **State mandated shelter in place executive orders continue to limit social gathering and have designated venues for consideration in the last phase of their current re-opening plan.**

The City of San Diego used the convention center as a temporary homeless shelter from April 2020 with anticipated full demobilization to occur by October 15, 2020. City of San Diego adopted a revised budget on Tuesday, June 9, 2020, which called for \$2.3M monthly financial assistance related to shelter efforts supported through CARES Act funding to continue through October 31, 2020.

There are many variables and decisions to be made that could significantly affect Corporation budget. Therefore, the revised budget submission assumes current demobilization efforts will conclude by October 31, 2020. However, two other potential scenarios are also included as optional outcomes. One assumes transitional resident housing occurs throughout the winter with full demobilization in early first quarter 2021. The other assumes current demobilization plan along with extended loss of events through the end of fiscal year if state orders do not allow for large event gathering until the summer.

#### **DISCUSSION**

The FY2021 Budget approved on June 23, 2020, produced Net Operating Loss of (\$1,382,170) based on no event activity through November. Since then, a large medical event scheduled for early December cancelled along with other cancellations stretching into May 2021. Events are expected to resume in late March with significant reduction in attendance through Q2 of 2021 as consumer



confidence resumes. Corporation anticipates attendance to resume to 70% levels beginning FY22 with business models estimating pre-Covid full event recovery may not occur until Q1 of 2024.

California Governor executive orders anticipated to delay into the fall could cause a further delay in event activity resuming. Events typically need 4-6 month lead-time to successfully host an event so without reopening guidelines approved by the State by November, Corporation risks losing events into Q2 2021.

Assuming events resume in late March, Corporation is facing a Net Operating Loss of (\$9,058,578). To augment the lost revenue, Corporation implemented further cost mitigation strategies:

- Further layoffs and reduction of positions of 56 by mid-October
  - \*\*85% (pre-COVID 215 FT/220 PT, post-COVID 65 FTE) including:
    - (16) FT permanent corporate positions will take effect by Oct 2
    - (26) FT positions in operations both supervisors and staff will occur at end of shelter
    - (14) FT positions reclassified to part-time on call
- Extended furlough through March 31 (originally intended through December)
- Reduction in Retirement contribution from 10% to 5% beginning January 1, 2021
- Reduction in employer subsidized healthcare benefits for dependents beginning March 1
- Change in PTO plan to separate sick leave from vacation accrual beginning January 1

**Previous compensation reductions included:**

- (49) FT position laid-off
- Significant majority of part-time positions loss of hours (approx. 170 staff affected)
- All remaining (176) active FT's furloughed between 10% - 50% of hours
- Elimination of Sales Incentive program for FY20 and FY21
- Elimination of non-represented employee merits for FY21
- Elimination of CEO FY 20 retention bonus and contracted salary increase amount for FY21

Non-personnel impact:

- Suspension of preventative maintenance, general expense, travel and non-critical spending until first half of calendar year 2021.
- Reduction in utility costs of due to less event activity
- Reduction in Capital Improvement and Operating Capital purchases

Corporation anticipates an unrestricted reserve shortfall of (\$4,011,386) by year-end based on shelter operations concluding in October and events not resuming until March. Corporation will be seeking assistance from the City of San Diego to support the annual Debt Service Obligations of (\$1,719,450) to fund the IBank Infrastructure loan. Corporation anticipates depleting unrestricted equity reserves by February and will need minimal financial support of nearly \$2.3 million to maintain a zero reserve balance with further contingency planning consideration. Further, large Capital Infrastructure Project requirements for the West building roof replacement of nearly \$8 million will also be requested from the City and are anticipated to be funded through and additional IBank loan later in

the year. All non-critical capital projects were deferred to future years.

#### **10 YR- CIP and OPERATING CAPITAL BUDGET**

FY2021 Capital Improvement Plan originally budgeted for \$2,435,701, including \$1,500,000 for Capital Infrastructure Projects (“CIP”) and Operating Capital (“O&M”) of \$935,701 were slashed to \$325,000 for CIP and \$757,788 for O&M. SDCCC’s CIP priority is primarily to begin roof design for original “West” building roof replacement as well as to replace corroded sewer drain lines. The design, engineering and planning phase for the roof replacement project will start during FY2021 with schedule construction anticipated Sept 2021 – June 2022 of FY2022. Unrestricted equity reserves will cover the costs for design and engineering of the Roof Project to be reimbursed from the \$8 million estimated debt proceeds anticipated to be issued during FY22 through a collaborative effort of Corporation and City staff with the IBank as mentioned above. Additionally, the Center’s primary capital “O&M” projects consist of converting software platforms for event management and finance and completing the fire pump replacement project contracted last fiscal year for completion in FY2021.

#### **STAFF RECOMMENDATION**

Approve authorization of FY2021 Third Revision Operating Budget to request minimum financial support of City of San Diego of \$4 million for FY21 operational support and to engage in future contingency planning conversations with future forecast projections as the situation continues to evolve.

\_\_\_\_\_/s/\_\_\_\_\_  
Mardeen Mattix  
Chief Financial Officer



**SAN DIEGO CONVENTION CENTER CORPORATION**  
**FY2021 BOARD PROPOSED OPERATING BUDGET - (Revised Based on March 2021 Re-Opening)**  
**DRAFT**

	FY2020 ACTUALS PRE-AUDIT	DEC OPEN FY2021 BOARD APPROVED 6/23/2020	MAR OPEN FY2021 BOARD PROPOSED NO SHELTER	MAR OPEN FY2021 BOARD PROPOSED W/ SHELTER	NO EVENTS THRU JUNE FY2021 BOARD PROPOSED
<b>OPERATING REVENUES</b>					
Building Rent	\$6,816,665	\$5,416,390	\$2,284,380	\$2,284,380	\$0
Co-Promoted Events	0	0	0	0	0
Food & Beverage	9,735,974	4,719,030	1,993,790	1,900,040	343,753
Event Services	3,182,992	2,535,970	931,400	931,360	305,190
Utilities	3,836,062	3,259,980	901,670	901,670	40,320
Telecommunications	3,702,251	2,582,850	1,018,280	1,018,360	451,310
Audio & Visual	809,296	584,660	202,970	202,970	0
Business Development	249,979	383,300	248,780	248,780	160,080
Interest/Investment Income	228,199	265,000	40,210	34,210	34,210
Other Revenues	151,961	88,300	46,320	53,520	53,520
<b>TOTAL OPERATING REVENUES</b>	<b>\$28,713,379</b>	<b>\$19,835,480</b>	<b>\$7,667,800</b>	<b>\$7,575,290</b>	<b>\$1,388,383</b>
<b>OPERATING INFLOWS</b>					
City of San Diego - Marketing	\$2,133,025	\$0	\$0	\$0	\$0
City of San Diego - Shelter Operations	508,212	9,337,500	9,303,400	18,503,400	9,303,400
Grants	0	0	0	0	0
<b>TOTAL OPERATING INFLOWS</b>	<b>\$2,641,237</b>	<b>\$9,337,500</b>	<b>\$9,303,400</b>	<b>\$18,503,400</b>	<b>\$9,303,400</b>
<b>TOTAL REVENUES AND INFLOWS</b>	<b>\$31,354,616</b>	<b>\$29,172,980</b>	<b>\$16,971,200</b>	<b>\$26,078,690</b>	<b>\$10,691,783</b>
<b>OPERATING EXPENSES</b>					
Salaries & Wages - Full Time	\$13,773,200	\$12,065,650	\$9,325,760	\$9,980,220	\$7,694,050
Salaries & Wages - Part Time	3,920,980	1,987,030	1,025,670	1,199,470	377,680
Fringe Benefits	4,772,451	4,370,080	5,580,780	5,655,968	5,651,225
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$22,466,631</b>	<b>\$18,422,760</b>	<b>\$15,932,210</b>	<b>\$16,835,658</b>	<b>\$13,722,955</b>
General Expenses	\$2,831,890	\$1,443,850	\$1,258,033	\$1,358,393	\$1,258,033
Repair & Maintenance	2,633,535	3,260,820	2,404,615	2,818,055	2,172,265
Utilities	3,808,531	3,907,670	2,825,410	3,302,710	2,329,570
Contracted Services	661,557	1,087,620	926,700	1,072,410	776,030
Travel & Transportation	107,860	90,700	12,760	17,650	8,130
Insurance	495,615	583,410	621,890	645,430	645,430
Telecommunications	57,926	51,820	51,420	51,800	51,420
Sales & Marketing	2,224,205	1,155,520	1,520,110	1,524,000	1,524,000
Supplies	560,587	550,980	476,630	536,860	263,270
<b>TOTAL SUPPLIES &amp; SERVICES</b>	<b>\$13,381,705</b>	<b>\$12,132,390</b>	<b>\$10,097,568</b>	<b>\$11,325,308</b>	<b>\$9,028,148</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$35,848,336</b>	<b>\$30,555,150</b>	<b>\$26,029,778</b>	<b>\$28,160,966</b>	<b>\$22,751,103</b>
<b>NET OPERATING REVENUES / EXPENSES</b>	<b>-\$4,493,719</b>	<b>-\$1,382,170</b>	<b>-\$9,058,578</b>	<b>-\$2,082,276</b>	<b>-\$12,059,320</b>
<b>EXTRAORDINARY GAIN ON DEBT FORGIVENESS</b>	<b>\$0</b>	<b>\$1,387,000</b>	<b>\$4,387,000</b>	<b>\$4,387,000</b>	<b>\$4,387,000</b>
<b>DEBT SERVICE EXPENSES</b>					
Interest Expense	\$891,362	\$1,000,220	\$864,219	\$864,219	\$864,219
Loan Admin Fee	74,487	72,200	72,219	72,219	72,219
Principal: Warehouse Lease	2,197	2,200	2,200	2,200	2,200
Principal: IBank Loan	731,973	783,200	783,200	783,200	783,200
<b>TOTAL DEBT SERVICE EXPENSES</b>	<b>\$1,700,019</b>	<b>\$1,857,820</b>	<b>\$1,721,838</b>	<b>\$1,721,838</b>	<b>\$1,721,838</b>
<b>NET OPERATING RESERVE IMPACT</b>	<b>-\$6,193,738</b>	<b>-\$1,852,990</b>	<b>-\$6,393,416</b>	<b>\$582,886</b>	<b>-\$9,394,158</b>
<b>OPERATING RESERVE ACTIVITY</b>					
	FY2020 ACTUALS PRE-AUDIT	FY2021 BOARD APPROVED 6/23/2020	FY2021 BOARD PROPOSED NO SHELTER	FY2021 BOARD PROPOSED W/ SHELTER	FY2021 BOARD PROPOSED No Events
Beginning Operating Reserve	\$13,674,080	\$5,559,100	\$3,464,818	\$3,464,818	\$3,464,818
+ Net Operating Revenues / (Expenses)	-4,493,719	-1,382,170	-9,058,578	-2,012,276	-12,059,320
+ Extraordinary Gain on Debt Forgiveness	0	1,387,000	4,387,000	4,387,000	4,387,000
- Future Impact on ancillary revenues (1)	0	0	0	0	0
+ Mitigating Cost Savings Measures (1)	0	0	0	0	0
- Debt Service Obligation	-1,700,019	-1,857,820	-1,721,838	-1,721,838	-1,721,838
+ Loan Proceeds to Fund Capital Projects	0	1,250,000	0	0	0
- Capital Outlay:					
Capital Infrastructure Projects	-2,396,835	-1,500,000	-325,000	-325,000	-325,000
Operating Capital	-1,618,688	-935,700	-757,788	-757,788	-757,788
<b>Ending Reserve Balance</b>	<b>\$3,464,818</b>	<b>\$2,520,410</b>	<b>-\$4,011,386</b>	<b>\$3,034,916</b>	<b>-\$7,012,128</b>
Reserve Minimum Balance (8%)	\$3,003,000	\$3,003,000	\$3,003,000	\$3,003,000	\$3,003,000
Over / (Under) Reserve Minimum Balance	\$461,818	-\$482,590	-\$7,014,386	\$31,916	-\$10,015,128

10-Yr. CIP (Capital Infrastructure Projects)

Revised - Board Proposed 9.22.2020

PRIORITY	PROJECT DESCRIPTION	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	10-yr CIP FY21-FY30	Project Totals
<b>Roof Planning and Design</b>													
1	Roof Engineering/Design Consultant - 11% of both roofs (Permitting, studies, solar analysis)												
2	Solar Feasibility and Planning	250,000	1,000,000									1,250,000	
<b>Roof (West) Replacement (Based on Assessment)</b>													
1	West Building Roof (Upper)		2,118,784									2,118,784	
1	West Building Roof (Solar prep - elevated rack)		2,026,310									2,026,310	
1	West Building Roof (20% Contingency)		974,406									974,406	
1	West Building Roof (Lower)		430,500									430,500	
<b>Roof (East) Replacement (Based on Assessment)</b>													
1	East Building - Metal Roof			2,623,500								2,623,500	
2	East Building Roof (Upper, Lower & Mechanical Wells)			4,560,700								4,560,700	
2	East Building Roof (20% Contingency)			1,436,800								1,436,800	
<b>Central Plant Replacement (Based on Assessment)</b>													
2	Central Plant AHU's replacement/rebuild				12,109,000	13,982,000	2,360,000		24,513,000			52,964,000	
2	Central Plant Boiler replacement					1,292,000						1,292,000	
2	Central Plant control upgrades					2,335,000						2,335,000	
2	Central Plant Pump replacement				312,000	55,000	600,000	267,000				1,234,000	
2	Chiller replacement 1 & 2 and then 3-5					2,400,000				3,600,000		6,000,000	
2	Chillers 3, 4 & 5: Complete rebuild - central plant				1,140,000							1,140,000	
2	Chillers 3-5: Replace three large VFD's (\$300K each x 3)				970,840							970,840	
3	Air Delivery System: Upgrade - Ballroom 20				223,700							223,700	
3	Boilers: Replace two - central plant					295,450						295,450	
3	Variable Frequency Drive (VFD): For Air Handlers (Meeting rooms in West Building)					350,250	350,000	350,250				1,050,500	
<b>Building Reconditioning Projects</b>													
1	Replace kitchen sewer drain pipes (West) - Work to be performed mostly in-house		75,000									75,000	
2	ADA Interior Door Openings: Replace 31 sets - Salls, kitchen, 20 foyer, lobbies etc.			240,250								240,250	
2	Control Networks for Operations / need consultant to plan for replacement/maintenance			250,000								250,000	
2	Control Panels: Replace 27 - Facility Lighting		200,000	484,450								684,450	
2	Exhibit Halls A-H floor boxes (recept. breakers etc.)				1,250,000	1,250,000						2,500,000	
2	Master Modernization (Carpet) - Meeting Rooms (Install/Carpet/Proj Mgmt)												
2	Master Modernization (Paint) - Meeting Rooms												
2	Resurface East Kitchen floors			250,000								250,000	
2	West Kitchen Equipment: Remodel Infrastructure												
2	West Kitchen: Remodel (Equipment Replacement)				550,992	750,000						1,300,992	
3	12KV Switchgear: Replace/Upgrade 7 - East Building (MAY BE PART OF EXPANSION)				1,200,000							1,200,000	
3	18 Restrooms: Upgrade Chiside/upper level - East Building (3 per year)				765,000	785,000	805,000	825,000	2,210,000	875,000		2,210,000	
3	250 HP Pumps: Replace two with six 50 HP pumps in HVAC system (VFD's & loop mods included)		362,250									362,250	
3	Access points of entry upgrade					2,000,000						2,000,000	
3	Concession stands: Retrofit A-C (\$100,000 each; 2 total) Others will be demoed in expansion					200,000						200,000	
3	Electrical Switchgear: Upgrade - Sall				121,800							121,800	
3	Elevator's Recondition (5 front facing) + cameras												
3	Front Drive East: Replace concrete		350,000									350,000	
3	Inclined Elevator: Replace & rebuild					1,238,445						1,238,445	
3	Locktinal Boilers: Replace - East Kitchen				1,369,500							1,369,500	
3	Move coffee service area to 20B corridor				257,373							257,373	
3	Replace 1989 emergency generator & transfer system				50,000							50,000	
3	Replace ceiling (Stewarding area)				796,040							796,040	
3	Replace concrete at West Mezzanine Terrace				80,000							80,000	
3	Replace underground fuel tanks (2)					1,090,000						1,090,000	
3	Salls Pavilion Floor boxes (108 panels - recept. breakers etc.)					91,600						91,600	
3	Signage: Way Finding & Design				1,500,000							1,500,000	
3	Terrace/Mezzz Rehab: Planters reconditioning (Design, demo and planter replacement)				125,000	1,221,800						1,346,800	
4	Freight Elevators: Recondition 3, 4, & 5 - East Building							1,300,600				1,300,600	
4	Passenger Elevators: Modernization - B.C.1.2.6. and 7						1,191,960					1,191,960	
<b>Total Capital Infrastructure Projects</b>													
		\$ 325,000	\$ 8,462,250	\$ 9,946,700	\$ 23,071,245	\$ 29,471,329	\$ 5,306,960	\$ 2,742,850	\$ 27,573,000	\$ 4,475,000	\$ -	\$ 111,273,334	\$ 111,273,334

1=Emergency, Health/Safety/Mandates  
2=Frequent Problems/expired useful life/impacts revenue generation or increases costs  
3=Public Demand/Benefit, Client facing and synergy with other projects/Purchasing Power  
4=Planned replacement with avail funding



10-Yr. (Operating Capital Equipment)

PRIORITY		PROJECT DESCRIPTION	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	10 Yr FY21-FY30
1	Defer FY22	Broiler - Kitchen Equipment	-	30,000	-	-	-	-	-	-	-	-	30,000
1	Defer FY22	Glassware Dish Machine	-	45,000	-	-	-	-	-	-	-	-	45,000
1	Committed	Radio console (Base upgrade) - all call, tech update	35,000	-	-	-	-	-	-	-	-	-	35,000
2		Ansul (fire hood) - West Kitchen	-	81,250	-	-	-	-	-	-	-	-	81,250
2		Barometric Damper controls (Albireo)	-	58,000	-	-	-	-	-	-	-	-	58,000
2		Bobcat SkidSteer \$590 with bucket, grapple bucket, excavator, stump grinder attachment	-	95,000	-	-	-	-	-	-	-	-	95,000
2		Digital Conventions phase III wiring	-	75,000	-	-	-	-	-	-	-	-	75,000
2	Dual Conv	ERP Conversion (Event MGT / Finance software system replacement)	350,000	-	-	-	-	-	-	-	-	-	350,000
2	Delete	Exterior PA Speakers (\$70K Consulting FY20/\$230K FY21) - \$229,701	322,788	-	-	-	-	-	-	-	-	-	-
2	Committed	Fire Pump	-	-	-	-	-	-	-	-	-	-	322,788
2	Defer FY22	Injector Pumps, Controls & Alarms: Replace - P2 South	-	150,000	-	-	-	-	-	-	-	-	150,000
2		New Walk-in Fridge (plate storage room)	-	-	120,000	-	-	-	-	-	-	-	120,000
2		Public Safety System - (Speakers, AMP, controls)	-	-	-	1,049,369	-	-	-	-	-	-	1,049,369
2		Redundant Cooler for Rack System in server room - wait for vote	-	-	250,000	-	-	-	-	-	-	-	250,000
2		Vehicle - Minivan (Security) to replace 2006 highlander	-	-	30,000	-	-	-	-	-	-	-	30,000
2		Walk thru metal detectors (need to do ROI on lease/purchase)	-	-	100,000	-	-	-	-	-	-	-	100,000
3	Defer FY22	19' Scissor Lifts: Replace	-	18,000	-	-	-	-	-	-	-	-	18,000
3		32' Boom Lift: Replace	-	-	38,000	-	-	-	-	-	-	-	38,000
3		Air Wall Trolleys: Replace - East Mtg Rms - Reevaluate w/ "Expansion"	-	-	-	340,000	-	-	-	-	-	-	340,000
3		Air Wall Trolleys: Replace - Exhibit Halls D-H - Reevaluate w/ "Expansion"	-	-	-	475,000	-	-	-	-	-	-	475,000
3		Air Wall Trolleys: Replace - West Mtg Rms 1-19	-	-	-	397,500	-	-	-	-	-	-	397,500
3		Carpet Vacuum (to replace sweeper) - Qty 2	50,000	-	-	-	-	-	-	-	-	-	50,000
3		East Dock Entrance & Exit Roll-up Doors: Replace	-	-	-	-	-	-	118,450	-	-	-	118,450
3		Electric Tow Tractor (Mule)	-	-	16,500	-	-	18,000	-	-	-	-	34,500
3	Defer FY22	File server replacements	-	38,000	-	-	-	-	-	-	-	-	38,000
3		Kitchen Stackler system with shelving equip warehouse	-	40,000	-	-	-	-	-	-	-	-	40,000
3		Sewer: Injector Pumps, Controls & Alarms: Replace - P2 North	-	-	-	-	89,000	-	-	-	-	-	89,000
3		Telescopic Sealing Riser System 5.000	-	-	-	1,300,000	-	-	-	-	-	-	1,300,000
3	Defer FY22	Trash Can cleaning machine	-	90,000	-	-	-	-	-	-	-	-	90,000
3		West Dock Roll-up Door Entrance	-	-	-	-	-	-	56,750	-	-	-	56,750
3		Yale Electric Forklift with Charger	-	-	35,000	-	-	-	-	-	-	-	35,000
4		40' Boom Lift: Replace	-	-	-	41,000	-	-	-	-	-	-	41,000
4		Air-blades Hand Dryers: Plans, permitting, install tile/drywall refinishing	-	198,000	-	-	-	-	-	-	-	-	198,000
4		Carpet Extractor	-	16,000	-	-	-	-	-	-	-	-	16,000
4		Concierge Booth Upgrades (Design)	-	100,000	-	-	-	-	-	-	-	-	100,000
4		Flooring: Rubberized replacement	-	-	-	858,001	-	-	-	-	-	-	858,001
4		Robotic Vacuum 1 - Manufacturer/model TBD	-	50,000	-	-	-	-	-	-	-	-	50,000
4		Sewer: Injector Pumps, Controls & Alarms: Replace - P1 North	-	-	-	-	89,000	-	-	-	-	-	89,000
4		Sweeper, Large ride on, Tennant S30	-	39,000	-	-	-	-	-	-	-	-	39,000
4		Triplex Lawnmower	-	-	-	42,000	-	-	-	-	-	-	42,000
4		Yale Electric Forklift with Charger	-	-	-	44,000	-	-	-	-	-	-	44,000
4		Yale Electric Forklift with Charger	-	-	-	-	-	46,000	-	-	-	-	46,000
Total Operating Capital Projects			\$ 757,788	\$ 1,123,250	\$ 239,500	\$ 4,896,370	\$ 89,000	\$ 64,000	\$ 264,200	\$ -	\$ -	\$ -	\$ 7,434,608

- 1=Emergency, Health/Safety/Mandates
- 2=Frequent Problems/expired useful life/impacts revenue generation or increases costs
- 3=Public Demand/Benefit, Client facing and synergy with other projects/Purchasing Power
- 4=Planned replacement with avail funding



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

**TO:** Budget Committee

**FROM:** Corey Albright, Director, Procurement & Contracts

**DATE:** For the Agenda of September 14, 2020

**RE:** Authorization to Contract for Event Management & ERP Solutions.

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BACKGROUND

The Corporation currently relies on an aging software infrastructure for both event management and enterprise resource planning (ERP). This critical infrastructure is comprised primarily of Convention Center Resource Information and Control System (ConCentRICs) on the event management side and Microsoft Dynamics SL on the ERP side. These systems are not integrated for data to flow from either system resulting in a duplication of efforts to ensure data is recorded within a single platform when necessary. Both platforms are hosted on premise and the upgrades have not been maintained. The ConCentRICs version is no longer supported by the developer.

DISCUSSION

On November 12, 2019, Procurement Staff issued a request for proposals (RFP) for both an event management and ERP solution, reserving our right to award either multiple contracts or a single, comprehensive contract based on the limited, qualified competition that has both solutions fully integrated within one company. Staff received six (6) responsive bids with one (1) bid for a fully integrated solution, two (2) multi-party providers whose platforms integrate well together, and (3) single platforms that address a single portion. The RFP utilized a best value format and included a specification survey including 145 desired functions.

Staff proceeded to shortlist 1) Ungerboeck, a fully integrated solution, 2) VenueOps by Event Booking (Event Management) with Acumatica (ERP), and 3) ConventionSuite (Event Management) with NetSuite (ERP). Shortlist interviews and live demonstrations took place through February 2020. Staff conducted hands-on sandbox evaluations of event management solutions Ungerboeck and VenueOps through August 2020, ultimately selecting VenueOps by EventBooking as the best value.

On the ERP side, Staff was not satisfied with the solutions presented through the RFP and elected to exercise additional due diligence through its option to see what other ERP solutions were well regarded in the industry. Staff received overwhelmingly positive reviews of Microsoft Dynamics 365 Business Central ("Business Central") and elected to pursue evaluating it. Both event management platforms being evaluated at the time of this decision also advised they integrate well with Business Central and were able to provide client success stories and references. Staff conducted a hands-on sandbox evaluation and recommends Business Central on a single-source basis in comparison to what was presented during the RFP. Due to the proprietary nature inherent

of software solutions and ability to meet established requirements, Procurement Staff determined this single-source justification for Business Central is consistent with our procurement policies.

Staff received strong recommendations from industry contacts and references to retain specialized consultants to assist with implementation and training. Microsoft's delivery model also mandates the use of a specialized reseller for implementation and training. Procurement Staff engaged in discussions with David Cotton from Keynote Consulting and LBMC Technology Solutions at the recommendation of industry contacts and EventBooking based on previous successful implementations of both VenueOps and Business Central.

Below is a cost breakdown of up-front implementation costs and annual licensing fees:

Item	One-Time Cost	Annual Recurring Cost
Venue Ops Licensing, Unlimited Users		\$90,000 (Starting 1/1/2021)
Venue Ops Configuration and Training by EventBooking (Developer)	\$45,000	
Venue Ops Implementation: Keynote Consulting	\$61,500 (\$150/hr x 410hrs)	
Business Central Licensing, 40 users Non-Profit Account		\$7,488
Business Central Implementation and Training: LBMC Technology Solutions	\$102,600 (\$180/hr x 570hrs)	
<b>TOTAL</b>	<b>\$209,100</b>	<b>\$97,488</b>

While Staff recognize the COVID-19 pandemic adds some complexities to an implementation and even further our need to be fiscally prudent, Staff does recommend proceeding with this project on the basis that our existing software infrastructure is a vulnerability being no longer supported, our volumes will be lower allowing for an easier transition, and there will be efficiencies gained with integrated, modernized solutions.

#### STAFF RECOMMENDATION

Approve authorization to contract with EventBooking, Keynote Consulting, Microsoft, and LBMC Technology Solutions based on the above with a project budget not to exceed \$350,000 for the first year of licensing fees and one-time implementation costs, inclusive of contingency funds for as-needed implementation requirements.

Approve authorization to enter into licensing agreements with EventBooking and Microsoft for event management and ERP solutions, subject to Staff's discretion for continued annual renewal.

/s/  
Corey Albright,  
Director, Procurement & Contracts



**SAN DIEGO CONVENTION CENTER CORPORATION**  
**MEMORANDUM**

**TO:** Budget Committee

**FROM:** Clifford “Rip” Rippetoe, President and CEO

**DATE:** For the Agenda of September 14, 2020

**RE:** Authorization to Amend Contract with Centerplate

The San Diego Convention Center Corporation (“Corporation”) has entrusted Centerplate as its exclusive food and beverage provider since 1993. On July 1, 2014, Corporation and Centerplate mutually agreed to extend the existing contract by five (5) years through June 30, 2026. This extension provided incentive payments due and amortized according to an established schedule. The remaining incentive payments to be amortized are:

- \$500,000, due on July 1, 2020, amortized over two (2) years.
- \$500,000, due on July 1, 2022, amortized over two (2) years.
- \$500,000, due on July 1, 2024, amortized over two (2) years.

In August 2020, Centerplate brought forward equity concerns of incentive payments being paid and amortized when there are no events at the center and future events will have a phased recovery as a result of the COVID-19 pandemic. Staff engaged in discussions with Centerplate and do agree there is an equity concern to be remedied. Through these negotiations, Staff recommend the following amendment:

1. Extend our contract by two (2) additional years.
2. Adjust remaining incentive payment amortization:
  - a. \$500,000, due on July 1, 2020, amortized over four (4) years.
  - b. \$500,000, due on July 1, 2024, amortized over two (2) years.
  - c. \$500,000, due on July 1, 2026, amortized over two (2) years.
3. Reduce marketing, equipment, and small wares reserve account contribution by 1.5% (currently 3% of gross sales), for a period of two (2) years commencing on the center's reopening date.

Approve authorization to amend the Centerplate contract based on the above terms.

/s/  
Clifford "Rip" Rippetoe  
President and CEO