

SAN DIEGO CONVENTION CENTER CORPORATION
SPECIAL BOARD OF DIRECTORS MEETING

TUESDAY, MAY 25, 2021, 10:00 A.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 April 27, 2021

Action Item(s):

B. Budget Committee (Allan Farwell)

1. Authorization to Process EIS Vendor Payments

C. Sales & Marketing Committee (Jeff Gattas)

1. Authorization to Approve San Diego Tourism Authority “Program of Work”

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---ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code section 54956.9(d)(4)
(5 cases)**

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 APRIL 27, 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 12:04 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 – Absent
Director VanDiver – Present
Director Bradford – Present

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

2. Non-Agenda Public Comment – None

Director Gattas joined the meeting at 12:07 p.m.

3. Board Committee Reports and Board Action Items:

Consent Agenda:

A. Approval of Minutes of Board Meetings of March 23, 2021.

Directors VanDiver and Kim 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. Budget Committee (Allan Farwell)** – CFO Mattix reported that the March financials were forwarded to the Board. All budget items are tracking as expected based on the budget that was approved in March.

Since last month, the Shelter-to-Home operation has been demobilized and SDCCC has welcomed the Emergency Intake Services for unaccompanied minors (“Operation Artemis”). Finance staff will now have to revise the budget that was approved last month. Staff anticipates bringing the revised budget to the Board for review/approval at the “Special” Board meeting in May because Operation Artemis is going to generate significant revenue that will impact the reserves.

Staff no longer anticipates having a \$4 million reserve balance at the end of the fiscal year. Staff believes the reserves balance will be replenished to the pre-pandemic level.

Staff successfully budgeted to the income that was derived from the Shelter-to-Home operation. Some of the capital repair items that had been deferred until after the Shelter-to-Home operation was completed must be further delayed due to the fact that Operation Artemis is a 24-7 endeavor that does not allow time for repairs.

In order to successfully support Operation Artemis, the SDCCC team is performing cleaning services and operating the Command Center, essentially the same tasks performed with the Shelter-to-Home operation, but on a larger scale. SDCCC has also begun recalling staff in order to successfully support Operation Artemis’ operational needs. Although Staff anticipates that employees recalled to support this operation will be retained after Operation Artemis is demobilized and regular business starts to resume after July, Staff is still budgeting and staffing to meet needs.

Director Farwell stated that the Corporation is pleased to be able to help with the Operation Artemis project and to support federal and City agencies. The financial impact is also a positive benefit to the Corporation's reserve situation.

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

Directors VanDiver and Bradford moved and seconded, respectively, to approve the March 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

(2) Authorization to Place Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency

Director Farwell provided an overview of the insurance review process. Director Farwell then introduced finance team members and Marsh & McLennan representatives who provided an in depth analysis of current insurance coverage and premium costs.

Directors Farwell and Cota moved and seconded, respectively, to Authorize Placement of Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency

**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

Director Cota thanked the Finance Department staff for their resiliency in being able to pivot in the face of the numerous revisions to the budget this year.

(3) Authorization to Amend Contract with Uniform Provider

Directors Allan and Kim moved and seconded, respectively, to Authorize Amending Contract with Uniform Provider, Specialty Apparel.

**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

C. Sales & Marketing Committee (Jeff Gattas) – Director Gattas reported:

- Mr. Mikschl reported that there is limited booking activity at this time. There was only one new booking for the month of March; however, things are picking up in terms of placing small corporate events around larger events later this year and early next year. There is more lead activity and repeat clients are looking to rebook their smaller local annual events. Staff anticipates that the last portion of the calendar year will be busy from a booking standpoint.
- Ms. Coker reported that her team is focusing on the good news relating to the “California re-opening” date of June 15th at which time the industry will be able to focus booking larger events. Events of under 5,000 guests will have no restrictions in terms of vaccination requirements or testing and events of over 5,000 guests will have vaccination and testing requirements. October 1, 2021 is the date when all requirements loosen up and there will be no requirements in terms of vaccination records or tests.
- There were several groups in third and fourth quarter that needed guidelines so they could start planning their meetings effectively and it is helpful that the State has put out clear and concise guidelines.
- SDTA’s total room nights for March is 263,000 room nights – much less than in past years, but still a respectable effort given the circumstances of this year.
- Ms. Coker also discussed events that have proposed booked dates for future years. She further noted that client interest is showing that face-to-face meetings are still very relevant.
- The SDTA team has done over 50 zoom meeting calls with customers. There have also been 9 virtual site visits with one or two in-person sites scheduled for May. The SDTA team is also in the process solidifying attendance for third and fourth quarter events and rebuilding the “funnel” for future event years.
- SDTA held a Town Hall on Monday that had 182 participants, 137 of which were customers, who were interested in what is happening in San Diego.

- Mr. Mikschl also provided an update regarding the status of the “Program of Work.” He indicated that the final draft of the document will be reviewed by the Sales and Marketing Committee in May and forwarded to the full Board for approval in May.
- In response to Chair Lai’s inquiry regarding the Center reaching out to local entities to advise that the Center is “open for business,” Mr. Mikschl noted that staff will pursue that outreach.

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

- Chair Lai noted that Kelly Revell, Finance and Risk Management Director, will be leaving the Corporation in July and he thanked Mr. Revell for spear-heading this year’s complex insurance renewal process and for his service to the Corporation.
- Chair Lai also thanked Marc LaHay, Director of Operations, for his service to the Corporation.
- Congratulations to the Board for completing submission of their Form 700 Conflict of Interest Forms in a timely manner.
- Upon reopening, Staff is exploring the possibility of continuing with optional virtual Board/Committee meetings. Once Staff has reviewed our options with our General Counsel, we will continue discussion of this matter.
- The next Board meeting is a “Special” Board Meeting, scheduled for May 25, 2021, to approve the Sales & Marketing “Program of Work.”

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

- The State has provided the following guidance regarding reopening:
 - June 15 through October 1, 2021 – Limitations for meetings: For under 5,000 guests there are no requirements to be tested or vaccinated (or to provide proof of testing or vaccination)
 - That number does not include labor working on the shows of Convention Center staff
 - After October 1, 2021, there are no limitations
- Staff has asked for a meeting to clarify mask requirements for ticketed consumer shows (Auto show, Quilt Show, etc.). The Corporation’s FAQs and website will be updated to reflect the Corporation is following CDC and Cal-OSHA recommended safety guidelines.
- The emergency intake site will be closed by July 15, 2021. The Center site was intended to be a temporary site and the federal oversight agency is looking for permanent sites.
- The Strategic Planning Ad Hoc Committee has met and provided input to Staff. Staff will be bringing the Strategic Plan back to the Board for approval once it has been finalized. Staff is still working on the re-opening imperative and awaiting further guidelines from the State.
- Dr. Lou Gilleran of the San Diego County Health Department has worked at the Center for the past 14 months with both the Shelter-to-Home and unaccompanied minor operations. His last day on site was this week. Many thanks to Dr. Gilleran and the San Diego County Health Department for the invaluable services he performed working with the SDCCC team as well as the City and federal agencies.
- H.R. team members are on site everyday providing resources and training videos to our staff we go through the recall process.
- The ERP conversion process is still in process and is going well.

- The facility condition assessment is contracted and moving forward; however, the on-site inspection portion is delayed due to the emergency intake operation. The inspection process will resume in late July or early August.
- The roof planning solicitation that was issued in February to seek potential bidders is being revised due to a low response from bidders. This item will be brought back to the Board in early fall. Staff anticipates that project will begin in late spring of next year.
- Regarding business development, Staff is working with Digital Conventions to finish the next phase of their signage installation.
- The Operations team is continuing to develop safety protocols to keep up with CDC and Cal-OSHA requirements so staff will be able to support clients once events resume.
- Repairs to Lobby “C” restrooms are beginning and additional restroom repairs are being planned.
- The first Center event is scheduled to commence on July 30th and staff has a fifteen day window between Operation Artemis demobilization and the event move-in date to complete essential repairs to the portion of the building that will be used for that show. Other repairs will be completed in between upcoming events.
- Centerplate served over 1.2 million meals in supporting Operation Shelter-to-Home.
- The Governmental Affairs staff have been assisting our federal partners by conducting tours of the emergency intake site.
- Staff representatives (CEO and CFO) will be presenting to the City Council Budget Committee on May 11, 2021.
- Mr. Rippetoe also acknowledged and thanked the leadership team for all of their hard work.

6. **Board Comment [Govt. Code § 54954.2(a)(2)]** – Director VanDiver stated that he is impressed by the work that Staff and the executive team have done in support of the Operation Shelter-to-Home and Operation Artemis. The entire team worked very collaboratively with Dr. Lou and the County to show the world that San Diego County knows what it means to help people that are in dire need, whether they are our homeless neighbors, or they are our guests from elsewhere, the Center has made such a massive impact on the lives of the folks who have been allowed to call the Convention Center home. Director VanDiver thanked the staff and the Center’s partners for supporting these events. Director VanDiver also congratulated Mr. Rippetoe on his five years of service to the Corporation.

There being no further business, the meeting adjourned at 12:58 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 April 27, 2021 and that said minutes were approved by the Board of Directors on May 25, 2021.

Carlos Cota, 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: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of May 25, 2021

RE: Authorization to Process EIS Vendor Payments

BACKGROUND

On March 26, 2021, Corporation entered into an agreement with Office of Refugee & Resettlement ("ORR") for the temporary use of the Convention Center as an emergency intake site ("EIS") for undocumented minors through July 15, 2021. Internal business partners were expected to provide services to support the effort, with invoicing centralized through the Convention Center to ORR on a monthly basis based on actual charges incurred.

DISCUSSION

Contractual terms require Corporation to serve as the primary government contractor with various services like telecomm, audio visual and parking services supported by our in-house partners as a centralized pass through charge on the main invoice. With billing based on actual use, charges for payroll and utility costs received in arrears, Staff anticipates invoice delays. Staff expects the full billing-to-payment cash cycle will take from 90 to 120 days.

In order to protect our internal business partners from sustaining a cash flow burden, our business partners have requested payment from Corporation with "net 30" terms to alleviate payment delays.

STAFF RECOMMENDATION

Approve authorization to pay SmartCity and Audio Visual EIS services within thirty (30) days of receipt of invoice from contractor, with pass through charges billed to ORR for expected reimbursement on a 90 to 120 cash payment cycle.


Mardeen Mattix,
Chief Financial Officer

Agenda Item 3.C

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 May 25, 2021

RE: Authorization to Accept San Diego Tourism Authority “Program of Work”

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. Pursuant to the terms of that agreement, SDTA is required to provide Corporation with an Annual Program of Work at the beginning of each fiscal year of the contract. The purpose of the Program of Work is to clearly define SDTA’s sales booking goals for the fiscal year, outline the marketing budget & expenses, and to summarize the tactics and strategies they will undertake to achieve the required goal. Per the terms of the services contract, SDTA is required to submit a draft of the Program of Work no less than ninety (90) days prior to the start of the fiscal year. This initial draft was submitted to the Corporation by SDTA in March of this year, thus meeting this required deadline. This ninety (90) day period is intended to provide both parties an opportunity to discuss and agree upon a final version of the document for approval by the Corporation’s Sales & Marketing Committee and full Board. The services contract also requires that the final version of the Program of Work be approved by the Board no later than 30 days prior to the start of the next fiscal year.

DISCUSSION

Over the past several months, Corporation and SDTA staff have worked collaboratively on the attached draft of the Program of Work for FY2022. Items of importance outlined in the document include:

1. Annual booking goal of 760,000 room nights. In FY2021, no room night goal was established as part of the Program of Work, due to the uncertainty in the marketplace and the hesitancy of clients to confirm future events in the midst of the pandemic. As a basis for comparison, the FY2022 goal does reflect a decrease of 100,000 room nights from that of FY2020, which was the last year a room night goal was established. However, this reduced room night goal is appropriate based on the continued uncertainty that is projected to affect market conditions in the near future.

2. Detailed marketing budget & expenditures earmarked for long term citywide sales for the fiscal year, which is \$1,947,963. It is important to note that in recent years, the City of San Diego has provided the Corporation approximately \$2.1 Million in funding, which the Corporation would then pass on directly to SDTA to support the long term sales effort. However, in FY2021, the City eliminated this funding entirely, due to the significant budgetary constraints arising from the pandemic. As a result of those ongoing budgetary challenges, the level of funding the City will be able to provide in FY2022 for long term citywide sales remains uncertain. Despite this uncertainty, the Corporation recognizes the importance of a sustained and effective long term sales effort. Therefore, the Corporation has agreed to fund SDTA the amount of \$1,947,963 from its budget to help maintain a functional level of service. SDTA's budget & expenditures for long term sales as outlined in the Program of Work is consistent the amount of funding that the Corporation will be providing to SDTA.
3. Strategies that SDTA will undertake to ensure that they achieve the booking goal of 760,000 room nights, and Key Performance Indicators that will be used to monitor the booking pace.

The Program of Work also includes an executive summary, an overview of SDTA sales staff deployment, and an outline of sales related activities that the team will participate in during the fiscal year. In summary, these strategies presented in the Program of Work by SDTA will help restore customer confidence as we emerge from the pandemic, and provide the tools necessary for the sales team to meet and exceed their room night booking goal.

STAFF RECOMMENDATION

Based on the attached Program of Work satisfying the requirements of the services contract currently in place between the Corporation and SDTA, staff recommends that the attached San Diego Tourism Authority Program of Work be accepted, and that the Board of Directors authorize its approval for Fiscal Year 2022.

/s/
Clifford "Rip" Rippetoe
President & CEO



SDTA CITYWIDE SALES FY 2022 ANNUAL PROGRAM OF WORK

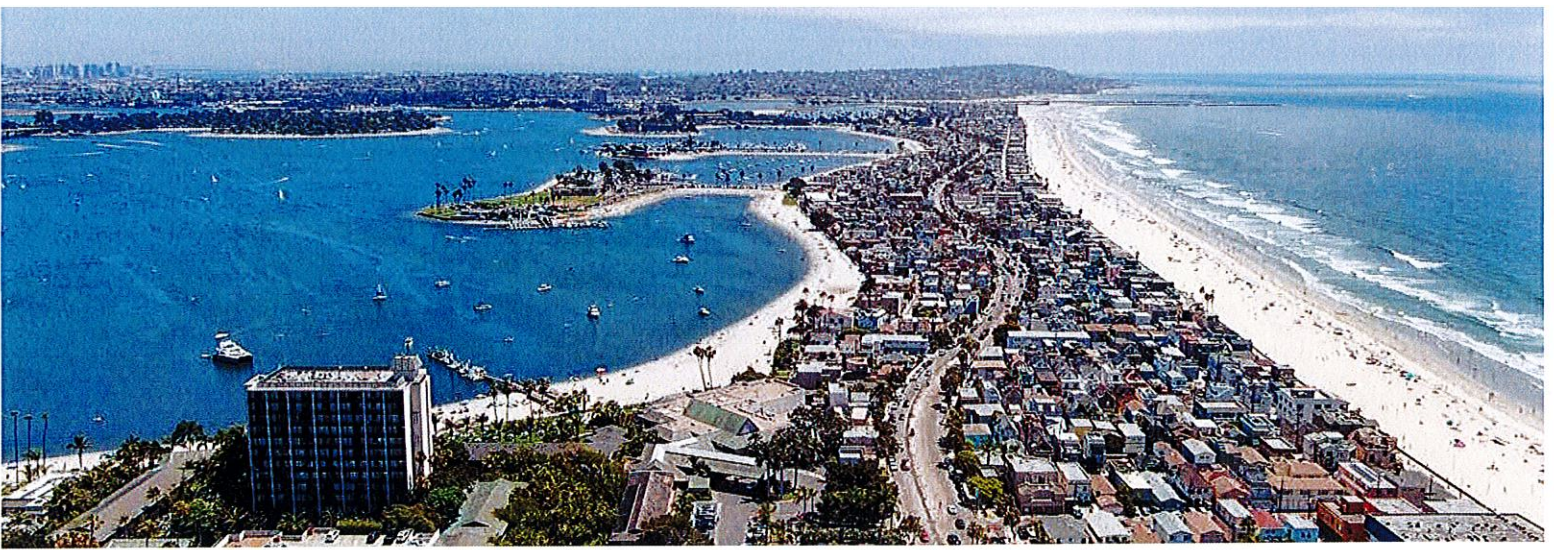
SAN DIEGO CONVENTION CENTER CORPORATION



SECTIONS:

- Executive Summary
- Deployment Outline
- Line-Item Budget for FY 2022
- Overview of Unified Travel, Tradeshow, and Sales Trips

Updated May 3, 2021



EXECUTIVE SUMMARY FY 2022

The San Diego Tourism Authority Citywide Sales Team is the long-term sales arm for the San Diego Convention Center. Together with the San Diego Convention Center we generate economic impact for the City of San Diego and the region. We do this by maximizing convention center meeting space, helping to produce ancillary revenue such as audio visual, food and beverage, telecom, and internet services, booking hotel rooms in the downtown corridor and neighboring cities and lastly generating visitor spend in local restaurants, retail shops, cultural attractions and the list goes on. We are proud of the role we play in making San Diego a better place to live, work, play and meet.

CURRENT STATE:

WOW what a year! The US Travel industry has experienced great loss due to COVID 19. Our industry has been hit harder than any other industry. On a national level, travel spend decreased by \$500 billion dollars or 42% in 2020. Travel related jobs decreased by 5.6 million or 34% and travel related taxes generated decreased by \$57 billion or 34% in 2020. Looking closer to home, visitor spend in California was \$160 billion in 2019 and dropped 44% in 2020. Due to that decline in visitor spend federal, state, and local tax receipts declined by 36%. These declines jeopardize jobs and public programs which are needed more than ever for the recovery of our industry. If we look even closer in our very own backyard, in San Diego visitor spend has dropped by \$6.6 billion dollars. Visitor spend finished the year at \$5.2 billion which is only 10% higher than our visitor spend in 2001 of \$4.7 billion. Essentially in one year we lost 20 years of gain. Average rates and hotel occupancies are below 2001 levels and thus RevPAR is below 2001. Our losses in 2020 surpass 9/11 and the Great Recession in 2009/2010. As we know, this is impacting our hotel occupancy and rates and this is also impacting our TOT which has a direct impact on the city's budget. During fiscal year 2021, SDTA has canceled 34 bookings with a loss of 516,971 room nights. We were able to save seven events totaling 287,715 room nights. This does not reflect Comic-Con International who has indicated that they are strongly considering November 2021 dates.



HOW WE RESPONDED:

How did we respond during the crisis? SDTA and SDCCC are fortunate to have well-trained, well-respected, and well-seasoned teams. As a result, the teams worked together to be transparent with customers, maintain the financial integrity of SDCCC and make smart short and long-term decisions.

Citywide Team – Due to the overall financial shortfall for both SDCCC and SDTA the following financial decisions were made:

1. 3 Full time positions were eliminated.
2. Existing staff was made to take a 10% pay cut for fiscal year 2021 and the bonus program was suspended for fiscal year 2021.
3. All SDTA was made to take unpaid time off during the Christmas Holiday Season. The office closed for two weeks. Team members were unable to use PTO.
4. The 401K match was reduced from 4% to 3% for all staff.

Customers – Most were short staffed themselves and looked to SDTA and SDCCC for updates and guidance on COVID 19 information

1. SDTA conducted two informational customer town halls. Panelist included Rip, Kim Becker - San Diego Airport, Daniel Kuperschmid – Manchester Grand Hyatt and Gary Johnston – Chief Resilience Officer for the County.
2. One joint virtual customer event with the hotel meetings team and citywide team. This allowed us to reach more customers and share cost between both departments. We also invited some local hotel partners to assist in reducing our costs.
3. We partnered with Andy on numerous one-on-one customer calls to educate customers, their board members, their CEOs, Leadership Team, vendors, etc.
4. We continued to engage with our customer based through local chapter meet ups – PCMA, MPI, IAEE, SITE, CEMA, etc. **Many of the team used a personal approach to connect with customers such as hikes, coffee meet-ups outside, a jog, long walks, etc.** All team members remained engaged with their customer base.
5. We have collaborated with SDCCC to advocate on behalf of our customers on a city, county, and federal level. We jointly worked to create a 14 city California Coalition under the umbrella of Cal Travel.

PATH FORWARD:

In the mid 1940’s as we approached the end of World War II Sir Winston Churchill said, “Never let a good crisis go to waste.” We have taken that quote to heart and took the opportunity to kick the tires and evaluate our internal processes, products & services, team talent and our future road map. As an organization we developed five strategic imperatives. Each SDTA department will align their goals with those imperatives in mind.

FY 2022 STRATEGIC IMPERATIVES:

- Rebuild San Diego’s tourism economy.
- Ensure SDTA financial viability.
- Deliver value for our stakeholders.
- Advocate, inform and educate on behalf of our visitor industry.
- Nurture an organizational culture that is diverse, inclusive, and equitable.

The first imperative is without a doubt the most daunting as we look to recover from a twenty-year loss. We know Citywide conventions are the foundation for our hotel community to build their sales strategy around. Once Citywide conventions are booked this allows hotels to fill in self-contained meetings, business travel and leisure. Citywide conventions allow hotels to better yield their inventory and hotel rates. Citywide Conventions account for 22% of the market demand however, they set the tone for higher average daily rate, occupancy and thus higher RevPAR for hotels. Higher average daily rate, occupancy and RevPAR are key metrics for a successful tourism economy.

With that in mind we hired an experienced outside consultant 2synergize to evaluate our current Citywide selling strategy to ensure we were maximizing our Citywide sales efforts. Three collaborative workshops were held with senior convention center staff, SDTA senior sales team members and key hoteliers. We created criteria for future success. We are recommending a fiscal year 2022 room night goal of **760,000 room nights**. There are several key components to determine rankings for each booking room night pattern, time of year, food and beverage contribution at the Convention center and ability to pay hotel room rates. The rankings will be critical to the team to place the right business at the right time to maximize convention center revenues. Below are the recommendations we will implement in 2022 to better sell San Diego.

Ensuring a Placement & Prioritization Strategy



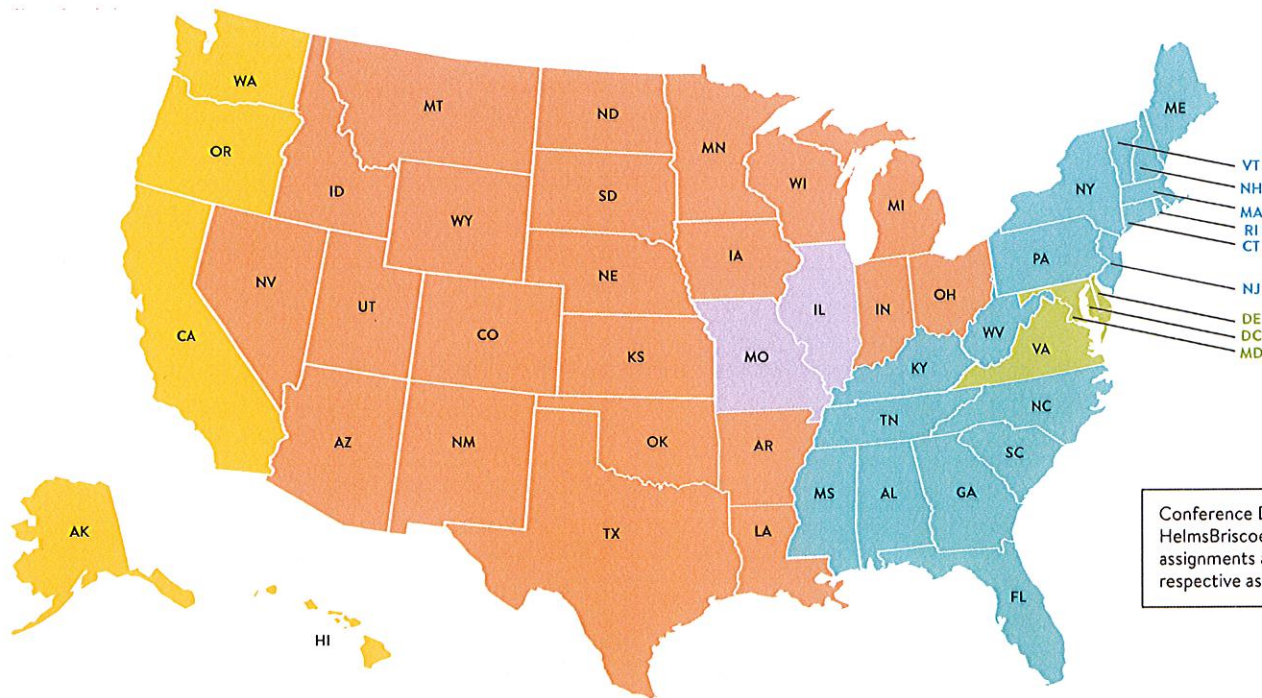
The above seven recommendations will be critical to our future success. Focusing on a placement and priority strategy will allow us to shift from solely focusing on the volume of room nights but instead the right room nights placed at the right

time with the right revenue for the convention center and hotel community (1) have a targeted approach to book by the size of convention and the year where it best fits (2) give priority to groups that meet during traditionally slower periods (low demand months) and or holidays (3) explore booking groups based on Sq Ft used as it relates to the number of room nights (4) given COVID effectively managing short term bookings in the next 18 – 26 months to match the pent up demand we are expecting to see (5) incorporate food and beverage spend at the convention center into how we rank groups (6) incorporate attendance as a metric when qualifying future business (7) create a sales incentive that rewards and influences the desired results. The net result of our efforts should yield better financial results for San Diego.

Due to COVID 19 and the cancellation of all groups from March of 2020 until the return of our first group in August of 2021 we will use what we have previously used as the rental revenue target \$8.25 per room night. This has been the average rental achieved for the past three years not including our COVID year. As stated earlier we are projecting to book 760,000 room nights for future years. Achieving the goal of \$8.25 per room night would generate \$6,270,000 in room rental for the convention center. In addition, the bookings would generate substantial incremental ancillary revenue such as food and beverage, audio visual and telecom and internet.

In closing the San Diego Tourism Authority Citywide Sales Team is committed to ensuring San Diego is a world class meeting, convention, and trade show destination. While 2020 was a very challenging year, we look to our future with great hope and optimism. We have always been a long term partner with the San Diego convention center. COVID 19 has given us further opportunity to collaborate with the San Diego Convention Center team. Together we will rebuild San Diego's tourism economy.

CITYWIDE DEPLOYMENT OUTLINE



WEST COAST OFFICE



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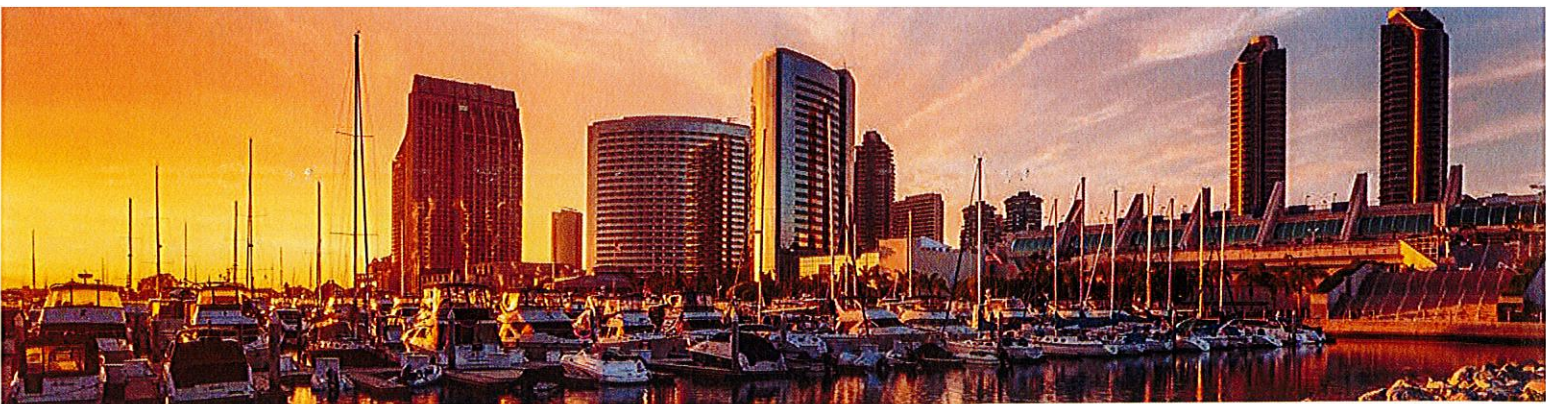
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SDTA CITYWIDE SALES & MARKETING BUDGET

EXPENDITURES - TOTAL

		FY 2021 Budget	FY 2021 Forecast	FY 2022 Budget
Personnel Expenses	Salary & Wages - Regular/Base	\$ 910,293	\$ 993,550	\$ 1,241,472
	Paid Time Off	41,564	31,821	12,417
	Incentive Compensation	-	-	150,868
	Total Salaries & Wages	<u>\$ 951,857</u>	<u>\$ 1,025,371</u>	<u>\$ 1,404,757</u>
	Payroll Taxes & Charges	77,871	74,681	92,993
	Worker's Comp Insurance	6,275	8,646	10,363
	Retirement Program Match	32,421	28,961	50,486
	Health and Life Insurance	152,609	163,894	179,398
	Total Fringe Benefits	<u>\$ 269,176</u>	<u>\$ 276,182</u>	<u>\$ 333,240</u>
Total Personnel Expenses		<u>\$ 1,221,033</u>	<u>\$ 1,301,553</u>	<u>\$ 1,737,997</u>
Non-Personnel Expenses	Outside Professional Services	\$ -	\$ 24,000	\$ 22,500
	Promotional Items	1,000	500	2,500
	Event Registration	40,074	6,600	29,360
	Event Exhibit	2,500	-	30,200
	Event Food and Beverage	-	7,500	-
	Travel & Entertainment	32,200	7,750	84,800
	Dues & Subscriptions	7,255	4,100	5,390
	Office Supplies & Misc	3,200	300	500
	Duplicating/Copying	4,100	-	-
	Office Rent	41,837	29,682	30,412
	Telephone	30,312	5,104	3,504
	Postage	800	700	800
Total Non-Personnel Expenses		<u>\$ 163,278</u>	<u>\$ 86,236</u>	<u>\$ 209,966</u>
Total Expenses		<u><u>\$ 1,384,311</u></u>	<u><u>\$ 1,387,789</u></u>	<u><u>\$ 1,947,963</u></u>



EVENT EXHIBIT BUDGET - WEST/SAN DIEGO

as of 4/30/2021 - ESTIMATES ONLY

FY22 Event/Tradeshow Cost Analysis

Description	Month	Total Event Expense	CO-OP FEES		Total Fees Collected	EXPENSES PAID BY			Net	Notes
			# Partners	Co-op Fee		Events	Hotel Sales	Citywide		
ASAE Annual	August	4,400	0	0	0	0	2,200	2,200	-	1 hotel sales/1 citywide
IMEX America	November	160,500	20	5,000	100,000	100,000	35,000	25,500	-	3 hotel sales/2 citywide
Washington, D.C. Client Event	Q1 2022	28,125	15	1,875	28,125	28,125			-	1 hotel sales/2 citywide
27th Annual Chicago Holiday Breakfast	December	7,600	19	600	11,400	11,400			(3,800)	1 hotel sales/2 citywide
Cubs Rooftop Client Event	April	49,000	10	4,400	44,000	44,000	2,500	2,500	-	1 hotel sales/2 citywide
					183,525	183,525	39,700	30,200		

NOTES & ASSUMPTIONS

- Salaries and Wages for the SDTA team has been restored
- The 401K match has been restored from 3% back to 4%
- Health insurance increases assumed at 10% upon renewal of annual policies
- Budget includes hiring back a SVP of Convention Sales. SDTA will contract a search firm to conduct a national search to identify a qualified candidate to lead our future sales efforts. The position is slated to begin January of 2022.
- The Chicago office lease expires in August of 2024 it will not be renewed.
- Budget summary includes no allocation of SDTA overhead costs (i.e. Executive Management, Accounting, HR, IT, Facilities, etc.)



OVERVIEW OF UNIFIED TRAVEL, TRADESHOWS, AND SALES TRIPS

Revised May 3, 2021

CITYWIDE AND HOTEL MEETINGS EVENTS BY MONTH:

MAY 2021

Xperience Design Project in DC

Phyllis Azama
Julie Coker
Lynn Whitehead
Hotel Meetings Team

TARGET: XDP is a two-day, business-focused experience for association professionals and partners.

*This event may be changed to meet in conjunction with ASAE Annual Meeting.

JULY 2021

PCMA Board Meeting

Phoenix, AZ
Angie Ranalli

PCMA Education Conference

Phoenix, AZ
Maria Andriola
Angie Ranalli (complimentary registration due to her Foundation Chair position)

TARGET: Meeting rotates around the country attracting members primarily from that area, we send our Sales Managers that handle the surrounding area.

CEMA Summit

Aurora, CO
Maria Andriola

Conference Direct Annual Meeting / Paid for in FY 2020

Angie Ranalli
Hotel Meetings Team

TARGET: CD is one of the top producing Intermediaries, the entire CD team from around the country attend this event.

AUGUST 2021

ASAE Annual Conference

Phyllis Azama
Hotel Meetings Team

PCMA Visionary Awards

Washington DC
Phyllis Azama
Angie Ranalli
Lynn Whitehead
Hotel Meetings Team

TARGET: This event attracts the top planners from around the country to award their peers and raise money for the PCMA Foundation.

SEPTEMBER 2021

PCMA Partnership Summit

San Juan, Puerto Rico
Angie Ranalli

TARGET: The top destinations in the country attract the highest producing clients to an intimate meeting.

OCTOBER 2021

Midwest Roadshow Indianapolis

Maria Andriola
Hotel Meetings Team

PCMA Board Meeting

Lausanne, Switzerland
Angie Ranalli

NOVEMBER 2021

IMEX America

Mandalay Bay, Las Vegas
Maria Andriola
Dave Matta
Hotel Meetings Team

Midwest Roadshow Minneapolis

Maria Andriola
Hotel Meetings Team

TARGET: Accounts based in Midwest states outside of Illinois.

DECEMBER 2021

Association Forum Holiday Showcase

Review in September 2021, updated to increase safety
Annual Butch McGuire's Holiday Breakfast 28th year
Chicago, IL

Maria Andriola
Julie Coker
Angie Ranalli
Hotel Meetings Team

TARGET: One of our SDTA Signature Events in Chicago, that attracts the top Association, Intermediary and Corporate planners from the area.

IAEE Annual Meeting

Philadelphia, PA
Lynn Whitehead

TARGET: Educate and network with clients and vendors from Association and Corporate industries.

JANUARY 2022

PCMA Convening Leaders Annual Meeting

Las Vegas, NV
Maria Andriola
Phyllis Azama
Julie Coker
West Coast Representation
Dave Matta
Angie Ranalli
Lynn Whitehead
Hotel Meetings Team

TARGET: PCMA has more than 7,000 members and an audience of more than 50,000 individuals, PCMA is the world's largest network of Business Events Strategists. Our entire team attends the event due to the attendance from all over the country.

PCMA Board Meeting

Las Vegas, NV
Angie Ranalli

FEBRUARY 2022

Destination Showcase with PCMA

Washington, DC
Phyllis Azama
Hotel Meetings Team

TARGET: This one-day event offers Destination International (Association of CVB's) members the opportunity to connect with the DC/VA/MD planners.

MPI NCC Annual Conference & Expo

San Francisco, CA
West Coast Representation
Hotel Meetings Team

TARGET: Meeting Planners International Northern California Chapter is an event that attracts the companies and planners in this key market.

Washington D.C. Marketplace Annual Client Spa Event

Phyllis Azama
Julie Coker
Debbie Jordan
Lynn Whitehead

TARGET: Our signature client event in Washington D.C. that attracts top clients from the association community from D.C., MD, and VA.

APRIL 2022

Annual Cubs Opener Client Event / Paid for in FY 2020

Maria Andriola
Julie Coker
Angie Ranalli
Hotel Meetings Team

TARGET: A SDTA Signature Event that attracts 100-150 Association, Corporate and Intermediary planners to watch the important opening game of the Cubs Baseball Season.

Northeast Road Show

NY, Boston, Philadelphia
Dave Matta
Hotel Meetings Team

TARGET: Accounts located in the Northeast, including Corporate, Intermediary and Association.

PCMA Spring Board Meeting

Spring 2022
Washington DC
Angie Ranalli

SUMMARY OF IN-MARKET MEETINGS, RECEPTIONS, EVENTS:

CHICAGO MARKETPLACE

GMC-PCMA

- Quarterly Education Meetings
- Annual Awards Gala
- Chapter Reception at PCMA Convening Leaders

Destination Rep Quarterly Meetings @ ABA, ADA, SmithBucklin

- AF CEO Reception

Association Forum

- CEO Reception
- Educational Meetings
- Annual Gala

MPI Great Lakes

- Education Summit

MPI CAC

- Quarterly Education Events

SITE

- Chicago receptions (Maria Andriola)

IAEE

- Quarterly Education Events

AHA Annual Vendor Meeting

Annual SmithBucklin Vendor Meeting

SWAP Client Events

WASHINGTON DC/VA/MD MARKETPLACE

Ongoing

Sales calls and presentations

Experient; IMN; and Smith Bucklin

Presentations once per year, usually in November

PCMA (Potomac and Chesapeake Chapters)

- Chapter reception at annual meeting
- Quarterly chapter meetings and receptions and special events
- Chapter's annual meeting in November
- Chapter committee meetings
- National Committee task force meetings

ASAE

- Quarterly education meetings and/or networking receptions
- Summit Awards Dinner, September

AMP's (Association of Meeting Professionals)

Monthly education programs and receptions

MPI

Monthly chapter education programs and luncheons

IAEE

- Monthly chapter education and networking luncheons

CVB Reps

- Every other month meetings and receptions
- Summer client reception
- Holiday client reception

Reston/Herndon Meeting Planners

- Yearly presentation at breakfast or lunch

Industry Social Events

- Book club

Agenda Item 3.C



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



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

SHORT TERM BOOKING ACTIVITY

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

DEFINITE		FY21 APRIL 2021	FY20 APRIL 2020	CUMULATIVE FYTD 2021	CUMULATIVE FYTD 2020
	EVENTS	2	3	18	76
	ATTENDANCE	2,500	11,300	58,658	145,709
	ROOM NIGHTS	1,675	1,839	3,149	25,369
	RENTAL REVENUE	\$58,020	\$74,500	\$448,985	\$1,760,832

FY21 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	2,600,000	\$448,985	17.0%

CONTRACTED SHORT TERM EVENTS APRIL 2021

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Closets Conference & Expo	04/25/22	1,400	140	405	\$37,920
Research Chefs Association	03/13/23	1,100	370	1,270	\$20,100
TOTAL		2,500		1,675	\$58,020

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
Starpower Talent Competition 2022	05/13/22	1,000	15	45	\$23,100
Closets Conference & Expo	04/25/22	1,400	140	405	\$37,920
Research Chefs Association	03/13/23	1,100	370	1,270	\$20,100
TOTAL		58,658		3,149	\$448,985

Agenda Item 3.C



SAN DIEGO CITYWIDE SALES APRIL 2021 SALES ACTIVITY REPORT

PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

DEFINITE	FUTURE YR BOOKINGS	APRIL 2021	APRIL 2020	CUMULATIVE FY2021	CUMULATIVE FY2020
	CONVENTIONS	3	3	18	22
	ATTENDANCE	17,600	27,600	146,900	180,700
	ROOM NIGHTS	21,510	35,576	284,710	345,012

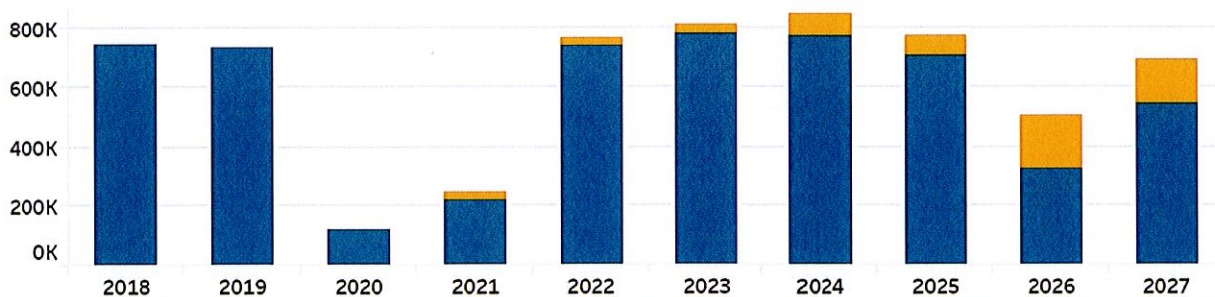
TENTATIVE	FUTURE YR BOOKINGS	APRIL 2021	APRIL 2020	CUMULATIVE FY2021	CUMULATIVE FY2020
	BOOKINGS	4	3	49	72
	ATTENDANCE	9,000	114,500	318,781	1,082,703
	ROOM NIGHTS	20,411	82,964	546,487	1,320,536

FY21 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

CUMULATIVE FY2021			
FY21 TOTAL ROOM NIGHTS		284,710	

ROOM NIGHT SUMMARY

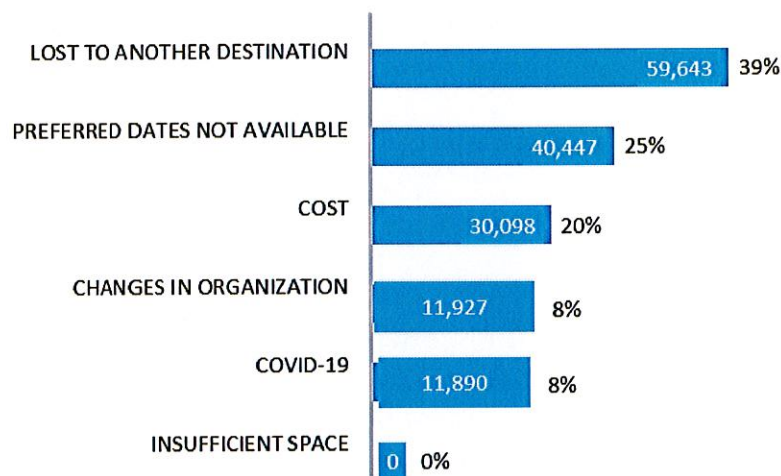
Figures based on calendar year.



Tentative Room Nights				21K	25K	29K	66K	65K	174K	146K
Definite Room Nights	746K	732K	120K	370K	744K	787K	782K	708K	330K	549K
Definite Conventions	43	57	14	24	54	45	38	27	20	23

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

Account Name	Event Begin Date	Event End Date	Peak Room Nights	Estimated Attendance	Definite Room Nights
Transplant Games of America	7/28/2022	8/2/2022	1,600	6,000	7,950
Society for Laboratory Automation & Screening	1/28/2027	2/4/2027	1,500	5,800	6,780
Society for Laboratory Automation & Screening	2/1/2029	2/8/2029	1,500	5,800	6,780
Total			4,600	17,600	21,510

BREAKDOWN OF LOST BUSINESS*Conventions, Trade Shows, Corporate & Incentive Events, APRIL 2021***Lost Room Nights 154k****SITE INSPECTIONS**

NO SITE INSPECTIONS HELD AT CONVENTION CENTER DURING APRIL.

CLIENT APPOINTMENTS

- ABBVIE
- ACE HARDWARE CORPORATION
- AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS
- AMERICAN ACADEMY OF PEDIATRIC DENTISTRY
- AMERICAN ASSOCIATION CRITICAL CARE NURSES
- AMERICAN PSYCHOLOGICAL ASSOCIATION
- AMERICAN SOCIETY CELL BIOLOGY
- AMERICAN SOCIETY NEPHROLOGY
- AMERICAN SOCIETY OF ANESTHESIOLOGISTS
- AMERICAN SOCIETY OF ANESTHESIOLOGISTS AND SMITH-
BUCKLIN
- AMERICAN SOCIETY OF HEMATOLOGY
- AMERICAN THORACIC SOCIETY
- AMERICAN WATER WORKS ASSOCIATION
- ASSOCIATION FOR SUPPLY CHAIN MANAGEMENT
- AVID CENTER
- BIOMEDICAL ENGINEERING SOCIETY
- BUFFINI & COMPANY
- CALIFORNIA BUILDING INDUSTRY ASSOCIATION
- CISCO SYSTEMS, INC.
- CLARION EVENTS
- CONSORTIUM OF MULTIPLE SCLEROSIS CENTERS
- DELOITTE TOUCHE TOHMATSU LIMITED
- GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERI-
CA
- HELMSBRISCOE
- HLTH
- HMP COMMUNICATIONS, LLC
- INFECTIOUS DISEASE SOCIETY OF AMERICA
- INTERNATIONAL ASSOCIATION FOR DENTAL RESEARCH
- INTERNATIONAL ASSOCIATION OF ORAL AND MAXILLOFA-
CIAL SURGEONS
- INTERNATIONAL TEAM FOR IMPLANTOLOGY
- INTERNATIONAL TRADEMARK ASSOCIATION
- THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INC.
- JACK HENRY & ASSOCIATES
- MCKESSON CORPORATION
- MULTIMEDIA ANIMAL CARE LLC
- NATIONAL BUSINESS AVIATION ASSOCIATION
- NATIONAL SCHOOL BOARDS ASSOCIATION
- NOVONORDISK
- ONPEAK
- THE OPTICAL SOCIETY
- OUTREACH CORPORATION
- PCMA
- PETCO ANIMAL SUPPLIES STORES, INC.
- SAP AMERICA
- SHOWCARE
- SOCIAL MEDIA MARKETING WORLD
- SOCIETY FOR VASCULAR SURGERY
- SOCIETY OF THORACIC SURGEONS
- SOCIETY OF TOXICOLOGY
- SPARGO, INC
- SPIE
- TECHNOSOLUTIONS, INC.
- TRANSPLANT GAMES OF AMERICA
- TWITCH INTERACTIVE, INC.
- THE UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF
THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED
STATES & CANADA
- U.S. GREEN BUILDING COUNCIL
- WORLD FAMILY THERAPY ASSOCIATION

INDUSTRY APPOINTMENTS

- CALIFORNIA COMEBACK TASK FORCE MEETING
- CALIFORNIA TRAVEL ASSOCIATION MEETING
- DESTINATION REPS MARKETING MEETING
- DESTINATION REPS QUARTERLY MEETING
- GLOBAL MEETING WEBINAR
- GMID – MEET SAFE WEBINAR PCMA CAPITAL CHAPTER
- GMID PCMA HILL WEEK APPOINTMENTS: STAFF MEMBER OF REPRESENTATIVE VINCENTE GONZALEZ (D; TX-15)
- GMID PCMA HILL WEEK APPOINTMENTS: STAFF OF SENATOR MICHAEL BENNETT (D - CO)
- HOSPITALITY/EVENT STRATEGISTS MEETING
- INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS
- INTERNATIONAL ASSOCIATION VENUE MANAGERS TOWN HALL MEETING
- PCMA BOARD MEETING
- PCMA COMMUNICATIONS COMMITTEE CALL
- PCMA FOUNDATION EXECUTIVE COMMITTEE MEETING-SPEAKER
- PCMA HILL WEEK TRAINING
- SAN DIEGO TOWN HALL MEETING FOR CUSTOMERS
- SDCCC SERVICE CONTRACTORS MEETING AND SDCCC REOPENING MEETING
- SDCCC TOWN HALL
- SDTA HOUSING PARTNER CALLS
- SDTA LEADERSHIP TEAM RETREAT