

City of Coronado



Coronado Tourism Improvement District Advisory Board Meeting **Minutes from Meeting of April 7, 2011**

1. Call to Order. Meeting was called to order at approximately 2:01 p.m. Present at the meeting were the following CTID Advisory Board Members: Todd Shalan, Kathleen Cochran, Tim Herrmann, Camille Gustafson, Dave Landon, David Spatafore, Eddie Warner and Mary Ann Berta. Courtenay McGowen was absent and her alternate, Phil Monroe, represented the Coronado Historical Association and Coronado Visitor Center.

Also present: CTID Administrator Todd Little, Coronado MainStreet Executive Director Rita Sarich, Coronado Visitor Center Manager Katherine Matlack, Assistant City Manager Tom Ritter and Senior Management Analyst Jerome Torres.

2. Approval of Minutes. Motion MSP to approve the Minutes of the meetings of March 3rd, 2011.
3. Oral Communications. Rita Sarich updated the Board on the upcoming Motorcars on MainStreet event April 17th, 2011. This year Coronado MainStreet has invested in more advertising and is promoting a new shuttle service that will benefit those who take the Ferry to their event.
4. District Conversion. Tom Ritter outlined a revision to the plan approved in March to extend the CTID under the Property and Business Improvement District Law of 1994. Under that law, the recently passed Prop. 26 would redefine the current CTID assessment as a new tax, thus requiring a public vote for approval. If then approved, the tax could only be used to promote the hotels that collect the tax. Because the work of the CTID benefits the hotels and local businesses, an alternate plan was presented.

On May 3rd, City Council will hear a recommendation for the CTID to be extended under the current 1989 law, but in different structure (commonly found at other TIDs/BIDs such as Temecula and Chula Vista.) In that structure the CTID would become its own independent non-profit entity and would continue its mission through a special services contract with the City.

Each stakeholder would benefit from this alternate plan. The hotels and local business districts continue to be marketed and promoted as before. The CTID would absorb expenses previously covered by the City. The City empowers the Advisory Board to manage its own Board, budget, community programs and marketing strategies. The CTID will remain under the control of the City, approved each year by the Council after reviewing Annual Reports, Service Plans and budget allocations.

Other discussion points:

- a) The CTID could enter into vendor agreements that extend beyond an existing term of the CTID but the agreement should reflect contingency verbiage should City Council discontinue the proposed special services contract.
- b) The CTID may shift to a calendar year in the future to reflect the timing of grants to community groups.
- c) The City would not intervene to CTID programs as long as the projects were lawful, budgeted and approved by the Advisory Board's legal counsel.
- d) The Advisory Board would remain intact to serve the City. It would also become the Board of Directors for the new non-profit entity.
- e) There would be no change to the current assessment. If the plan is approved, each assessed hotel will receive notice from the City so the current assessment structure remains "as is." Should a hotel object, they may do so at the Public Hearings.
- f) Board Members were encouraged to meet with Councilmembers to personally discuss this new strategy and its advantages.

The CTID Advisory Board unanimously approved the revised plan.

- 5. Annual Report. The Administrator reviewed the Annual Report that will be presented to the City Council on May 3rd. While the Report outlines programs, services and accomplishments of the previous year, the Service Plan identifies the scope of work that remains and the tactical plan to complete it.

The accomplishments include:

- a) CTID PR efforts contributed to 7% increase in hotel occupancy since October
- b) 10% increase in assessments collected by the CTID
- c) 14% increase in local business during February (15% in March)
- d) \$12,000 given in community grants
- e) Contemporary logo created for local Coronado business marketing
- f) CTID is self-sufficient, did not use any of \$250,000 line of credit from City.

The projected budget for FY 11-12 is not finalized because the CTID has not approved any proposals to continue its partnership with San Diego Convention and Visitors Bureau. In May, the Advisory Board will evaluate the achievements of the Administrator, which will finalize that budget line. At this time, each of these budget lines is padded to reflect the maximum expense. Each will be adjusted as necessary:

Budget discussion points:

- a) The FY 11-12 budget reflects a projected 5% increase in assessments over current year (\$488,000.) At this time, assessments for FY 10-11 are expected to reach \$465,000.
- b) The projected budget for ConVis is \$300,000 (approximately \$175,000 for hotel marketing, \$75,000 for PR and \$50,000 for strategic planning.)

- c) Projected investment in local marketing dollars was doubled to \$70,000
- d) Community grants were increased by 60% to \$20,000
- e) The annual cost of running the new entity is projected to be \$17,000 (insurance, legal)
- f) \$25,000 was budgeted for both contingency and reserves. Contingency budgets are available for short-notice opportunities. Reserves buffer emergency expenditures.
- g) The initial CTID budget should be included in the Report.
- h) Board Members who represented a community group should share CTID documents so there is time for evaluation.
- i) For those unfamiliar with industry terms, media impressions should be changed to “views”
- j) The Board clarified their interest in evaluating the need for satellite Coronado Visitor Centers in both San Diego and at Coronado Ferry Landing.
- k) The Administrators budget line for expenses and operational costs should be separated from salary.
- l) The Chairman and Administrator will prepare a PowerPoint for the presentation of the Annual Report and Service Plan May 3rd, 2011.

With these change The Annual Report was unanimously approved.

6. Incorporation. In March, the Board approved up to \$7,000 for Civitas to supervise the district conversion of the CTID (under the 1994 law.) Because that plan was revised, a contingency in the agreement allows that budget to be used for the process of incorporating the CTID, two personal meetings with Civitas, their administrative costs (\$6,405.) The fees to file the documents (including non-profit tax exemption forms) will be about \$915.

Melanee Cardova of Civitas updated the CTID Board on the process of incorporation. She will direct the Articles of Incorporation in addition to composing the bylaws of the new entity. She will work with the City and Administrator to collect the data she needs.

The CTID will need to elect a Secretary and Treasurer for the new non-profit entity.

Because it takes up to 8 weeks to incorporate, Civitas will begin the process now, prior to the presentation to City Council. This will allows a seamless transition on June 30th, if the CTID is approved under the proposed plan. Former Councilmember Monroe believed this would not seem presumptuous to the Council. If the CTID is not extended or another route is taken, only a \$45 registration fee would be lost (in addition to the cost of Civitas.)

The CTID Advisory Board unanimously approved this plan.

7. Adjournment. Meeting was adjourned at 3:35 pm.