



**Coronado Tourism Improvement District (CTID)
Minutes from Special Advisory Board/Board of Directors Meeting
February 6, 2014. Glorietta Bay Inn, Coronado, Ca.**

1. Call to Order. The meeting of the CTID was called to order at 2:13 p.m. The following CTID Advisory Board/Board of Directors were present: Claudia Ludlow, Andre Zotoff, Mary Ann Berta, Denise Schwab, Nusrat Mirza, Eddie Warner, David Spatafore and Phil Monroe. Loews Coronado Bay Resort was not represented.

Also in attendance: Executive Director (ED) Todd Little, Assistant Coronado City Manager Tom Ritter, Rita Sarich of Coronado MainStreet, Bruce Linder of Coronado Historical Association (CHA) and Janet Francis of Coronado Visitor Center (VC.)

2. Approval of Minutes from January 2, 2014. Phil Monroe corrected a sentence in Section 6 to "Phil Monroe reminded the Board that at least once an opinion has been submitted." *Motion for Approval of Minutes from January 2, 2014: Schwab. Second: Monroe. Unanimously approved.*

The agenda was altered to accommodate the limited availability of Nusrat Mirza.

3. Discuss and Possibly Approve Assessment Increase. The ED outlined the reason an increase was discussed previously, in the FY13 Annual Meeting: 1) to afford consistent marketing during off-season, 2) the ability to diversify marketing/media tools and 3) further investment in existing campaigns that are the most successful. He discussed how tourism benefits more than the assessed hoteliers (including the City, local businesses, residents and property owners.)

The ED summarized the thoughts of the Planning Subcommittee that met to discuss the topic. The hoteliers project a positive rebound during FY14-16. Any assessment increase would still be 2.5% less than the hotel assessments in downtown San Diego. It was stated that guests rarely notice or voice concern with assessments. Andre Zotoff said the only time assessment percentages matter is when groups are negotiating convention space with hoteliers.

The ED then outlined the process for requesting an assessment increase. He is unsure if the City Attorney could advise the CTID through the process (because of concern with recent lawsuits in San Diego that question the legality of their new 2% assessment.) Those lawsuits were relatively new in February 2013 when the CTID first approached the City to request an increase. That request was tabled because the residents had recently approved an increase of the TOT assessment. The City felt it may

look opportunistic and suggested tabling the topic until February 2014 (when there was likely resolution with San Diego lawsuits)

The ED discussed two options that may lead to an approval from City Council: 1) retaining Civitas Advisors, who wrote the 1994 law any new assessment would be bound to or 2) funding an economic impact study that documents the importance of tourism to local businesses, the City's general fund and the desirability of the Coronado community. Either plan could cost up to \$20,000. The economic study could delay the approval process for upwards to three months.

On February 20th, the Chair, ED and Tom Ritter, Assistant City Manager and City Attorney (Johanna Canlas) will meet with Civitas. The CTID may meet again in late February to further discuss direction.

Tom Ritter said the City Attorney Johanna Canlas would need some assurances before recommending an approval. She has consulted other attorneys to discuss the lawsuits in San Diego and interpretations of the 1994 law. Tom continued by saying any new assessment could only benefit the hotels that pay into it and establishing a second district will be necessary to govern it. He felt requesting a new assessment will require a strategic plan that would almost eliminate any threat of lawsuits against it.

Denise Schwab felt retaining Civitas or the impact study is worth the cost, they would pay for themselves very quickly. Claudia Ludlow felt the CTID needed to do whatever it takes to support the City's suggestion to either retain Civitas or fund the study. The owner of her Inn would follow the direction of the other hoteliers. She believes growth during the transient (shoulder) season is critical. She also wants to support Coronado's local businesses that are often owned by residents.

Andre Zotoff felt the CTID needs to "cast a bigger net" to secure more off-season guests. He said there's been a large upturn in business at the Del based on consumer confidence. It's good timing for an assessment increase to maximize the opportunity but the CTID must be prepared to invest in either option. He felt it was important for the CTID to protect its share of the hotel industry by further promoting the competitive distinctions of Coronado.

Both Eddie Warner and Phil Monroe cautioned the others about a "sleeping giant" (residents who may question the need any assessment increase or more off-season tourism.) They tolerate traffic growth during summer, but more off-season traffic will concern them. Phil reminded the Board that with fewer Navy deployments, Coronado is already experiencing an increase in traffic. Phil said it was important for the CTID to have a strategy in place so the messaging is consistent during conversations with members of City Council. The Del met with Council Members when seeking approval of their Master Plan and those discussions were fruitful. Andre Zotoff identified the growth opportunity as groups/conventions, not families. He felt the entire city would benefit from this category and the CTID should target key influencers who secure group business. Nusrat Mirza has toured Coronado a great deal during the off-season and saw a number of empty stores and restaurants. He also felt the opportunity lies with group meetings, not day visitors. His previous hotel in Long Beach targeted convention planners because of its high return on investment. David Spatafore felt the "sleeping giant" was comprised of small minority of residents. He thinks times are changing and the infusion of youth in the city (and City Council) is pointing towards more tolerance with tourism. He felt group business is the CTID's "bread and butter," regularly delivering new diners to Coronado restaurants. He added that groups contribute greatly to the general fund that fulfills the needs of residents. Mary Ann Berta felt

there is plenty of growth opportunity in the off-season because she believes Orange Avenue is largely vacant at night. Eddie Warner felt the CTID needed to provide a very specific plan that underscores the CTID's focus on off-season growth and nothing more. Andre Zotoff said 80% of group bookings come after the summer season and the plan should strategically include third-party agencies that could help the CTID secure more bookings. He added that, as a bonus, group attendees often bring their families during conventions. Eddie Warner felt residents would rather know how tourism improves the quality of life in Coronado than how it improves the value of their property. Rita Sarich suggested laying out an investment plan that specifically indicates how the assessment increase would be utilized. David Spatafore suggested exploring whether some of the assessment could be applied to street-level improvement projects which enhance the visitor experience. Tom Ritter cautioned the Board that all assessments must have a direct benefit the assessed hotels. *Motion to Approve Assessment Increase Request: Schwab. Second: Mirza. Unanimously approved (8-0)*

4. Discuss and Possibly Approve Investment of Marketing Refund. The ED briefed the Board on why a refund occurred and outlined the options he previously presented to the Local Marketing Subcommittee. Although the original funds were invested in LA and Phoenix, he felt \$3746.25 refund would be best invested in San Diego. The Subcommittee recommended the use of radio, favoring a proposal from KPBS, San Diego's NPR station. Andre Zotoff felt listeners of NPR are a good qualitative group but suggested exploring another type of radio listener who may be better engaged with live ad-lib commercials about Coronado or some sort of trackable contest. David Spatafore recommended a program already used by the CTID that promotes Coronado via 15 different radio stations. It reaches a wide variety of neighborhoods and wealth groups. David thought the refund could also be invested later this year. *Motion to Not Reinvest Marketing Refund: Spatafore. Second: Mary Ann Berta. Unanimously approved (7-0, Mirza had left the meeting)*
5. Discuss and Possibly Approve Visit Coronado App Modification. In the previous meeting, the Board was briefed on Visit Coronado tablet app. Janet Francis of the Visitor Center was concerned there was duplication in the app being developed and the new VC website. Eddie Warner asked the Planning Subcommittee take a closer look to consider ways to possibly merge the projects. In that meeting, the Subcommittee heard the pros and cons for each project and discussed the matter. They felt the end product needed to be a responsive website and considered whether it should be a collaborative effort between the CTID, VC, MainStreet and Chamber. Andre Zotoff felt both projects were not as contemporary as they need to be. He felt there was a need for a modern design that was video-centric, optimized for keyword search and could quickly inspire guests. Rita Sarich asked whether there was a discrepancy in the content. She was told by the ED that the content of the Visit Coronado app is somewhat different because the CTID project did not include services most tourists rarely need (dry cleaners, insurance sales, dentists and real estate.) The VC website includes content that did include those categories. The CTID website offers more photography, links and mapping (because it was intended for guests on foot.) Andre Zotoff suggested the end product could have a separate section just for locals. He felt there was a need for virtual tours, webcams and possibly even click to chat customer service. Phil Monroe felt strongly about collaboration and said the Visitor Center domain name would be better suited for the project (better than Coronado Tourism for example.) He also mentioned their lengthy search for a web designer and how the website can be retrofitted with many of the improvements the Planning Subcommittee recommended. He suggested forming a committee to lead the research. He was told by Denise Schwab the Planning Subcommittee would welcome perspective from other organizations. Janet Francis commented that the VC website is a WordPress format and can

be embellished. Among the strengths of the VC website was their day-planning capability. Claudia Ludlow felt strongly that the end product needed to be fast and compelling. *Motion to Approve App Modification (from planned direction) Schwab. Second: Spatafore Unanimous approval (7-0)*

6. Discuss and Possibly Approve Community Grant Improvements. The ED summarized why the Community Grant Program was being reevaluated: 1) doubt that it truly worked for the event planners, CTID or local businesses, 2) redirecting the program might better benefit all stakeholders 3) the volume of work it takes and 4) the inevitable disappointment of non-grantees. The ED showed examples of how other markets promote local events and included some mock-ups the CTID could consider. The process would eliminate the need for grant applications, lengthy evaluations and protracted debate. The mock-ups were an adaptation of the “*Come and Play Across the Bay*” campaign presently used by the CTID. Modifications were made so the concept made sense to potential guests in key markets such as Phoenix, LA and Orange County.

The ED suggested increasing the budget for this project so it has even greater reach for the events included in the ad. The addition budget would also demonstrate how the CTID is embellishing the program (and not abandoning it.)

Andre Zotoff thought the mock-up was a good start because it allowed the CTID to control the message (instead of funding of ads that didn't match the style of the CTID.) Instead of using the word “grant,” he suggested the word “sponsorship.” David Spatafore recalled the inception of the grant program that was to demonstrate how the CTID would foster Coronado events that were stagnant. He liked the direction but suggested the advertising be staggered to promote the next upcoming event. Mary Ann Berta liked the approach and suggested having dialogue with event organizers so they Board can best decide who “makes the list.” Eddie Warner asked if the ad could focus on just one event at time so there's more room for event details. She was told it could be considered. Andre Zotoff felt the CTID needed to control the project. Denise Schwab suggested a one-page summary/application that organizers would complete to be considered for the event list. She used A Taste of Coronado as an example of an event that would benefit from the new direction. It would attract foodies from Phoenix instead of targeting lower priority guests who value-shop via Groupon. Andre Zotoff suggested including some photos from local events provided by the organizers. Claudia Ludlow felt the events would also benefit from the PR efforts of the CTID. Recently she joined a recent media tour and pitched upcoming events to 12 media outlets in Phoenix. Bruce Linder used the Coronado Art Walk as an example of an event that would gain little from the new direction. Attendees usually discover the Art Walk from ads placed by CHA in the UT San Diego a week prior. David Spatafore spoke about the need to use some of the grant budget for independently promoting high-potential events. Rita Sarich commented that the Community Grant Program was the foundation of the CTID when it was being established. She felt there should be criteria as to what events are included in the ad. Mary Ann Berta was pleased with the redirection and also felt some events were worthy of individual promotion above and beyond this new approach. Phil Monroe shared a concern with some local events that pay wages to their executives. Andre Zotoff felt the program would attract the ideal guest at an ideal time during the off-season. He felt the project should be vetted by the National Marketing Subcommittee. *Motion to Approve Community Grant Improvements: Schwab. Second: Monroe. Unanimously approved. (7-0)*

7. Adjournment: The remainder of the discussion topics were tabled. The meeting ended at 4:10pm.

Denise Schwab 3/24/14
Denise Schwab, Secretary, Date

Todd Little 3/24/14
Todd Little, Executive Director, Date