



**Coronado Tourism Improvement District (CTID)
Minutes from Advisory Board/Board of Directors Meeting
March 6, 2014. Council Chambers, Coronado, Ca.**

1. Call to Order. The meeting of the CTID was called to order at 2:02 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, Janet Francis of Coronado Visitor Center (VC,) Karen Finch of the Coronado Chamber and David Axelson of the Coronado Eagle & Journal.

2. Approval of Minutes from February 6, 2014. Phil Monroe felt the minutes should not be approved because the approved motions were unclear. By the end of the discussion section both Phil and Eddie Warner were unable recall the motion. They were told by the Secretary, Denise Schwab, the motion was in the header of discussion section. Andre Zotoff said he could see the confusion. The ED was asked to include the motion before the recorded Board vote. Eddie Warner also asked for page numbers. *Motion to table Minutes from February 6th, insert motions at the closing and add page numbers: Monroe. Second: Mirza. Unanimously approved 8-0*
3. Staff Discussion and Updates. The ED directed the Board to an assessment summary in their packets. The January assessment was \$34,822, about \$1,069 more than what was collected in January 2013. The year to date total was \$341,799. So far the assessments are \$10,542 (3%) over projections.

The ED provided these calendar dates for the Board:

- 1) Form 700 due to City Clerk today, March 6
 - 2) A tentative special meeting is planned for March 20
 - 3) The City's Commissioners dinner is March 27
 - 4) The CTID annual report is due March 31
 - 5) The CTID meets again on April 3
 - 6) The new Local Marketing Study will begin April 7
4. Discuss and Possibly Approve Retaining Civitas Advisors. The ED briefed the Board on the meeting held February 20th that included Claudia Ludlow (Chair), Blair King (City Manager,) Tom Ritter (Asst. City Manager,) Johanna Canlas (City Attorney,) John Lambeth (Civitas) and the ED. Three topics were discussed: 1) Structure of proposed tourism improvement district (TID,) 2) the contents of the mandated

benefit study to establish a new or companion TID, 3) safeguards to protect the existing TID as well as the City (from litigation.)

The ED was pleased to learn that the proposed TID could be governed by the existing Board and Officers. For transparency, separate banking and bookkeeping is recommended. It was clear in the February 20th meeting the City Attorney cannot advise the CTID in pursuit of the second district. Johanna Canlas will only represent the City to protecting their interests. Separate counsel would be necessary if/when the CTID begins the process. For the benefits study, the process begins with confirming whether the existing assessment funds can be used to pay for it. Additionally, it would be important for the CTID to be advised on exactly what is expected in the benefits study. The City Manager felt the study could also include data that would be of interest to Council Members (such as projected ROI of a 1% assessment, the available headroom for more off-season growth and the indirect benefits to residents.) The ED recommended retaining Civitas Advisors at a not-to-exceed price of \$1,500, plus up to 4% in expenses to 1) confirm the legality of using the assessment to fund the study, 2) advise the CTID on the contents of the study so it provides the data needed to establish a new TID and 3) includes data that Council Members may find interesting.

The ED outlined what is commonly found in economic studies and added several more ideas that could further inform stakeholders (how Prop 26 impacts the new assessment, how growth would not exacerbate summer volume and how the additional assessment would indirectly benefit so many.)

Andre Zotoff thought retaining Civitas was a good idea at a great price. Nusrat Mirza asked if this cost was independent of the cost of the actual economic study, he was told yes. The ED felt the study could begin in July and the results would be provided in November for possible approval to increase the CTID assessment on January 1, 2015. Andre Zotoff suggested the assessees could pitch in, as necessary, to speed up the study timeline. He felt residents hardly notice when Coronado hotels are sold-out in the off-season (as opposed to full capacity on July 4th.) Sell-outs in the off-season allow the hotels to maintain room rates and not compromise with discounts. Nusrat Mirza felt it was a good time to study the marketplace. Further, it would help the CTID and SDTA make the most of their partnership. Andre Mirza felt the data may help educate the SDTA on the needs of the CTID and help them provide a fair amount of off-season group sales leads. He felt each CTID hotel could benefit from three additional group bookings each year and the study should be a topic of discussion with the SDTA. He feels Coronado is not priority to the SDTA. Eddie Warner asked whether the ED was permitted to sign the agreement provided by Civitas. She was told yes. *Motion to approve and have ED sign agreement to retain Civitas: Schwab, Second: Zotoff, Unanimous 8-0.*

5. Discuss and Possibly Approve Draft FY14 Annual Report: The ED reminded the Board the Annual Report was in draft form, other pieces were to be added: a cover letter, the budget and long-term goals. He said the report summarizes how the Board spent its time and invested the assessment. It also provides measured results, how the Board collaborated with other organizations and businesses. The current report complies with what is expected by the City. The ED submitted the draft should an important change be necessary.

Andre Zotoff asked whether the mission of the CTID was to improve hotel occupancy or growth of a hotel's RevPar. (RevPar or revenue per available room, is a performance metric in the hotel industry, which is calculated by dividing a hotel's total guestroom revenue by the room count and the number of

days in the period being measured.) He was told that, although RevPar is probably more ideal, the term “occupancy” is better understood by the general public. Nusrat thought RevPar was important with projections. When possible Andre Zotoff recommended including ROI data that showed the affect of a particular marketing tactic. So the ROI can be dissected, Nusrat Mirza thought it was wise to create advertising strategies in the future that provide a means to measure the impact. Eddie Warner commented that most of the CTID marketing has been based on branding, and with the exception of online ads, it can be somewhat of a black hole during measurement. Andre Zotoff said the Hotel del Coronado uses different phone numbers to track the success of certain campaigns. He called for the SDTA to provide similar analytics measurement for FY15 marketing strategies. Nusrat suggested the ED send requests such as this to the SDTA in advance of their April presentation to the Board. Phil Monroe suggested a small change to the portion of the draft that speaks to the forthcoming changes to the grant program. So Council can quickly understand, he suggested adding something such as “rather than providing individual checks to the event manager, the CTID will use the grant funds...” Eddie Warner asked to strike the portion concerning the Board’s doubt the grants were effective. She also felt the Local Marketing Study is not analyzed well and asked that it be omitted as well. She thought the data was inconsistent with sales tax data for the same period. She felt including sales data instead was best. Nusrat Mirza commented that tax earnings were ideal but merchants are under no obligation to volunteer. Andre Zotoff suggested qualifying the data additionally to call the section “a marketplace indicator.” Phil Monroe suggested including both the Local Marketing Study and the sales data because Council is well aware of the sales tax gains. Mary Ann Berta felt merchants enjoy seeing the results in the Local Marketing Study they contribute to. David Spatafore also felt the sales tax data should accompany the Local Marketing Study because it is meaningful with those who indirectly benefit from the assessment. Eddie Warner asked the Secretary and Treasurer to be included in the Annual Report development. *Motion to add tax data and make minor edits, approve direction and meet on March 20th to finalize.* Second: Mirza. Unanimously approved 8-0

6. Discuss and Possibly Approve Long-Term Goals: The ED asked the Board to review a number of ideas that could serve as long term goals for the FY14 Annual Report and FY15 Service Plan. He first included a long list of considerations for pruning. He reminded the Board long term goals should be 1) a new way to attract guests to Coronado, 2) elevate the awareness of Coronado hotels and local landmarks, 3) contribute, when possible, to the vitality of the community. The ideas included:

- Partnering with Coronado Brewing to dovetail on their international growth
- Marketing to newly-arrived guests at the San Diego Int’l Airport
- Creating hotel packages with Coronado Golf Course or something such as SD Symphony
- Better promoting off-season three-day weekends so guests are inspired to plan ahead
- Developing programs and efforts to improve group bookings in Coronado
- Launching a signature event to promote off-season tourism in Coronado

Andre Zotoff thought promoting three-day weekends is not needed, they are already successful. He felt pursuing group business was essential including destination wedding planning. He also felt the CTID should develop initiatives to be included in conventions that stretch across many hotels and facilities. Basically Coronado is not effectively included in events that encompass most of San Diego County. Nusrat Mirza agreed that three-day weekends didn’t require any promotion. He felt the ED’s example of a signature fireworks show from the Coronado Bridge could be a consideration. He also agreed that carving into city-wide conventions and group business is a growth opportunity. Andre Zotoff felt the

fireworks example was relevant only to locals, not out of town hotel guests. Phil Monroe shared two ideas for events that could be considered: 1) making Coronado the home-base for the annual Wizard of Oz convention and 2) the 2015 Coronado Island Film Festival. He felt it was smarter to focus on events that currently exist instead of creating new events. Both of the events he mentioned could possibly if they move to the off-season (to be more aligned with the CTID mission.) Nusrat felt growing the group business in Coronado would produce the greatest return because it delivers the greatest clientele. Eddie Warner agreed with the events Phil's discussed and felt it best to stick with existing events. She felt creating signature events was beyond the scope of the CTID. Andre Zotoff added the need to obtain sponsors for signature events is a great deal of work. For the new members on the Board, David Spatafore explained why a dining guide was first planned as an option for outreach at the airport. He said it was just a starting point because Coronado had no presence at all at Lindberg Field. It was intended to be the first point of contact next to the abundance of materials promoting other destinations. Andre Zotoff felt this is something SDTA should be offering on behalf of Coronado. Eddie Warner felt the way-finding signage plan in the FY13 Annual Report could take many years to develop (and may not be relevant in the future.) Andre Zotoff felt attracting well-known restaurateurs and chefs to Coronado could vastly improve the awareness of Coronado as a dining destination. It would require significant incentives to attract celebrity chefs to Coronado but worth exploring. David Spatafore added that Coronado is not top-of-mind as a dining destination. He has been working with local restaurateurs to raise the caliber of Coronado culinary options. He added that restaurant space is limited on the island. Mary Ann Berta agreed with David that dining is a real growth opportunity for the City. The Board began discussing whether the Coronado Golf Course was ideal for hotel packaging. Andre Zotoff did not think the course met the expectations of his guests. Nusrat Mirza, David Spatafore and Phil Monroe thought the course was more than sufficient for getting time away from the family and its close proximity to Coronado hotels. Phil commented how walkable the course is and how well it is maintained. Eddie Warner felt the hotel packages should be generically worded as to not commit to one type of hotel package. Claudia Ludlow added that Glorietta Bay Inn has already booked 30 additional room nights from their beta-test packaging with Coronado Golf Course. Phil suggested a short-term goal to market to guests from the Japan (who tend to take longer vacations and spend more.) Andre Zotoff wanted to monitor the CTID's PR efforts to have Coronado featured in high-profile publications in Japan.

The Board divided the list of goals between short term and long term

Short term

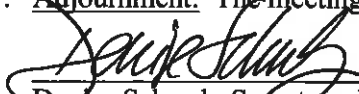
Funding economic impact study
 Improve number of off-season group bookings
 Explore partnering with Coronado Brewing
 Investigate marketing at SD Int'l Airport

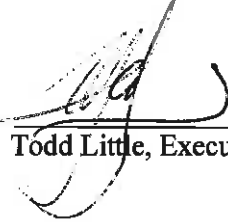
Long term

Assist City in way-finding program
 Elevate awareness of dining in Coronado
 Develop hotel packaging
 Grow outreach effort for Japanese guests

Motion to approve short and long term goals for FY14 Annual Report and FY15 Service Plan:
 Spatafore. Second: Schwab. Unanimously approved 8-0

7. Adjournment: The meeting ended at 4:10pm.

 3/24/14
Denise Schwab, Secretary, Date

 3/29/14
Todd Little, Executive Director, Date