



# Coronado

A BRIDGE AWAY

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**CORONADO TOURISM  
IMPROVEMENT DISTRICT**

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**ANNUAL REPORT  
MAY 2011**



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Honorable Mayor Tanaka  
And Members of the City Council  
City of Coronado  
1825 Strand Way  
Coronado, CA 92118

Dear Mayor and Council Members:

It is with great pleasure that I write to you on behalf of the Advisory Board of Directors for the Coronado Tourism Improvement District. We have accomplished a great deal since your forethought and support allowed us to begin just nine short months ago. Today, we present to you our Annual Report, highlighting our successes on behalf of the tourist-related businesses of Coronado, and respectfully ask for your support again as we embark on the next chapter of our program.

Our report will focus on our successes, and how we plan to grow based upon them. Our Advisory Board has worked tirelessly over the past year to promote the virtues of our great City. With the help of our strategic partner, the San Diego Convention and Visitors Bureau, we have been able to accomplish a great deal in many areas, including:

Branding  
Advertising and Marketing  
Public Relations  
Community Outreach  
Community Grants  
Fiscal Responsibility

We are most proud of the fact that all of these items were accomplished without having to use ANY of the line of credit that you, the City Council, agreed to provide us. Our Administrator has been dedicated to managing our District as efficiently as possible, and we appreciate his efforts greatly.

Lastly, as an organization, we have come together unanimously to create a valuable mission statement, along with short and long-term goals for our District. With your help and support, we plan to accomplish all of these goals over time.

Again, on behalf of all of our Advisory Board members, we thank you for your support and vision, and look forward to preparing Annual Reports for many years to come.

Sincerely,

Todd Shallan, Chairman  
Coronado Tourism Improvement District

## INTRODUCTION

The Coronado Tourism Improvement District (CTID) was formed in July 2010 under the Parking and Business Improvement Area Law of 1989. Its purpose is to fund and execute marketing programs that increase year-round tourist and visitor quantities in Coronado. Specifically, the CTID works to improve the number and length of hotel visits as well as the retail sales of businesses that serve tourists.

Boundary:	The CTID is citywide, serving all business districts
Funding:	1/2% guest assessment at hotels with over 90 rooms
Assesseees:	Hotel del Coronado, Loews Coronado Bay Resort, Coronado Island Marriott Resort, Glorietta Bay Inn
Governance:	A nine-member advisory board comprised of the four assessed hotels, two at-large members and one representative each from Coronado MainStreet, Coronado Historical Association and Coronado Chamber of Commerce.
Budget:	\$500,000 of which \$250,000 or 50%, whichever is greater, is earmarked for a service contract with the San Diego Convention and Visitors Bureau (ConVis)
Term:	Fiscal year July 1, 2010-June 30, 2011

This Annual Report is provided to outline our accomplishments for FY 10-11. A Service Plan for FY 11-12, which provides a projected budget and the scope of work to be completed, is included.

## SECTION 1: FY 2010-11 ACCOMPLISHMENTS

### BUDGET

The budget outlined in the Initial Plan presented to the City Council during the formation process was based on \$500,000 of collected assessments. This figure was subsequently adjusted to \$413,000 based on an analysis of transient occupancy taxes (TOT) collected during FY 2009-2010.

Through February 2011, actual collected assessments are 10% over initial projections. This has allowed the CTID to invest in additional marketing strategies while maintaining self-reliance.

Although the Council granted a \$250,000 line of credit at inception, none of the credit was required. The CTID paid for each marketing campaign, contract and administration/operations without assistance from the City of Coronado, businesses or residents.

After reviewing travel industry forecasts and current CTID assessment pacing, the Coronado Tourism Improvement District Advisory Board is projecting total revenues to approximate \$465,000 by June 30, 2010. Provided below is the updated budget for the current fiscal year:

	Initial CTID Budget FY 10-11	Estimated Actuals FY 2010-11
<b>Services Provided</b>		
Estimated Revenue Generated by TID Assessments	\$500,000	\$465,000
<b>Expenses</b>		
<b>San Diego Convention &amp; Visitors Bureau (ConVis)</b>	\$250,000	
Hotel Advertising (Print, radio, web, TV and other marketing platforms)		\$150,000
Public Relations		\$50,000
Strategic and media planning		\$50,000
<b>Marketing and Promotion</b>	\$171,000	
Local marketing targeting SD residents-cruise ship patrons		\$35,000
Branding of Coronado business districts		\$20,000
Underwriting special events that are tourism related		
Funding of a pedestrian way-finding system		
Downtown shuttle service		
Provide grants funds to community organizations that promote tourism		\$12,000
<b>Operations</b>	\$75,000	
Administration		\$56,630
Administration expense		\$5,000
Incorporation		\$7,000
Contingency		\$25,000
Administrative fee to City	\$4,000	
	<b>Total Expense</b>	<b>\$410,630</b>
	<b>Carry forward balance</b>	<b>\$54,370</b>

## ADMINISTRATION

In August 2010, Todd Little was hired by the City as a contracted Administrator to provide support to the CTID Advisory Board. Because he was hired in August his compensation is prorated to \$56,630 (August 18, 2010-June 30, 2011) plus \$5,000 for expenses. Should the CTID be approved beyond June 30, 2011, his terms will run concurrently with an annual salary of \$65,000. A structure for a merit increase up to 8% was included in his agreement. The CTID Advisory Board will evaluate his performance and make a recommendation to City Council.

In addition to managing the contracts with San Diego Convention and Visitors Bureau (ConVis) and the design firm MeringCarson, Todd directs each marketing campaign, which includes budgeting and execution. Todd prepares the Board for monthly meetings with research and reporting as well as Brown Act compliance. He meets with local businesses, organizations, Board members and City Staff to regularly ascertain needs and opportunities.

## SAN DIEGO CONVIS PARTNERSHIP

The decision to partner with San Diego Convention and Visitors Bureau was a wise investment. Because their systems and relationships are well established, Coronado quickly benefited from ConVis' media, governmental and hospitality outreach. The services provided by ConVis include market research, strategic consultancy, advertising planning and creative direction.

Additionally, ConVis provided a dedicated PR Director to pitch and manage media exposure. The partnership provided a Coronado landing page on the SanDiego.org website. This page is of particular value to local businesses that can upload and maintain their own business profiles.

In the initial report, the services agreement between the CTID and ConVis stipulates an annual budget of \$250,000. Of that amount, \$150,000 has been invested in advertising the CTID assessed hotels. The remaining \$100,000 spent with ConVis covers their PR efforts (\$50,000) and their strategic planning and media placement (\$50,000.)

## CORONADO BRANDING

To better understand the marketplace and preferences of previous visitors, two research projects were completed. The key findings played a vital role in the evolution of the Coronado logo and tagline.

A subcommittee of the CTID was established to consult the creative design firm MeringCarson. Cost of the logo development was \$20,000. The scope of work included many drafts and revisions of the logo, the refinement of the tagline, a color and font study as well as a usage/style guide for applying the logo in local marketing efforts and future merchandising.

The Coronado brand and "A Bridge Away" tagline required a great deal of study, debate and development. The results of that effort can now be put into action in local marketing efforts, tourism based documents and brochures as well as appropriate/approved signage in the City.

The logo is in the process of being trademarked by the City on behalf of the CTID.

## MARKETING

Fully aware of the revenue potential of the Holidays for local business owners, the CTID allocated \$15,000 for advertising campaigns beginning in November. An additional \$170,000 was used for marketing the attributes of Coronado during Spring.

The CTID will continue to negotiate the highest yield means of marketing to attract overnight hotel guests from top feeder states as well as day visitors from San Diego County. This strategy will focus primarily on the months when tourism is at its lowest demand (September 2011 through May 2012.)

Campaigns:

### Fall/Holidays "*Happier Holidays A Bridge Away*" (\$15,000)

- Email database mailings in Fall 2010 to subscribers of Texas Monthly and LA Magazine.
- Two full page ads in San Diego UT, Night and Day section.

## Spring campaign “Where Mainstreet Meets Bare Feet.” (\$170,000)

- Print ads targeting local subscribers of national publications Travel + Leisure, Food and Wine, Elle Décor and Town and Country.
- Online banner ads on TripAdvisor.com and Away.com websites.
- Four-page newspaper insert in LA Times, Orange County Register and San Diego UT.
- 6,000 additional copies of the newspaper insert were distributed by concierge services of downtown San Diego hotels.

In the future, other methods of engaging tourists will be evaluated including direct mail marketing, social media, event marketing and co-op advertising.

Effective advertising of Coronado reaps dividends for the hotels, businesses and the City. Greater demand improves room rate, sales, tax receipts and the City’s ability to provide services through increased revenue flow to the General Fund.

### **PUBLIC RELATIONS**

While each ConVis service is impactful, public relations (PR) is among the most rewarding because press coverage is difficult to secure. The ConVis PR team proactively engages influential writers across the US and even abroad. Through ConVis, Coronado is well represented at conferences, seminars, trade shows and tourism events.

In the initial year of the CTID, Coronado received a great deal of television coverage, feature articles and travel reviews. Over 17 million views were directly related to the efforts of the ConVis PR team on behalf of the CTID. An estimated \$389,000 worth of media exposure included coverage from Woman’s Day, US Airways Magazine, Parents Magazine, OC Metro, Metro New York, KTLA 5 (Los Angeles), Fox 5 News (San Diego), NBC 7/39 (San Diego), KING-TV (Seattle), The Desert Sun (Palm Springs), Montreal Journal, Travelgirl Magazine, Valley Scene Magazine, Creators Syndicate.

### **MEMBERNET AND WEB SERVICES**

At no additional cost to the CTID, ConVis provided a Coronado landing page within their website. This page served many purposes: to position Coronado as an ideal destination, allow tourists to book a vacation and provide updates on community events.

ConVis waived normal membership fees so tourism-based businesses in Coronado could upload their company profiles, logo, hyperlink, images and news releases to the site. These uploaded profiles play an important role in fulfilling keyword searches for those researching vacation options in Coronado.

SanDiego.org/Coronado also includes timely information for the iconic events that help define Coronado.

## **BUSINESS AND COMMUNITY OUTREACH**

Although each CTID Board Meeting is open to the public, the CTID Board and Administrator have directly contacted local businesses and organizations to educate them on CTID efforts and to gain insight.

Important discussion points included the CTID's ability to self-finance our efforts and our ability to support all tourism-based businesses. Other outreach topics included our community grants and our solutions for the softer tourism season. Residents were shown how tourism directly impacts revenues that help fund City programs related to Coronado's "quality of life."

## **GRANTING PROGRAM**

In October, the CTID authorized funds for grants that supplemented the advertising costs of community events (that could result in overnight hotel stays and increased sales at local businesses.)

After a comprehensive evaluation of applications, the CTID Board approved and made recommendations to City Council for final approval. During the current fiscal year, a total of \$12,000 in grants were awarded to Lamb's Players Theater, Coronado Historical Association, Coronado Floral Association and to a collaboration which included Coronado MainStreet, Coronado Public Library and the Coronado Visitors Center.

## **RETURN ON INVESTMENT (ROI)**

It is very difficult to document ROI because the vast majority of our marketing didn't begin until February 2011. And a portion of the strategy is image marketing that promotes the virtues of Coronado without a banner to click or number to call.

In fall 2010, the CTID did invest a small budget for Holiday advertising and launched a public relations platform. During that period of October through February, hotel occupancy grew 7% compared to the previous year. The efforts of the PR strategies generated \$389,000 worth of media exposure based on 17 million impressions.

During the same period the CTID hotel assessment collections were 10% over projections, an indication of growth. To gauge the impact of our campaign that began in February, a CTID case study measured the local revenues of twenty-one businesses, reporting a 14% growth.

## SECTION 2: FY 2011/12 SERVICE PLAN

### INCORPORATION

In its second fiscal year, the CTID plans on improving not just the response from our marketing efforts, but also becoming even more self-sufficient.

For FY 2011-2012, an initial plan to reorganize the CTID under the Property and Business Improvement District Law of 1994 has been halted because doing so will prohibit the CTID from marketing local businesses that do not contribute to the 1/2% assessment.

Instead, the CTID Board recommends it be permitted to incorporate to allow for greater self-reliance and efficiency.

Under this proposal, the CTID would incorporate as a non-profit entity that continues to improve tourism throughout Coronado by the means of a special services agreement with the City. This structure is found in other business (and tourism) improvement districts. These include Carlsbad, Vista, Chula Vista and Temecula among others. It will liberate the City from many of the day-to-day administrative functions of the CTID and delegate to the CTID the responsibility of managing its own budget and expenditures.

Even as a non-profit, the CTID will continue to be required to comply with the 1989 Law that requires Annual Reports (including budget review and approval) due to City Council, as well as compliance with Brown Act and Public Records Request principals.

The City Council will still retain its responsibility to authorize the continuation of the CTD and approve and/or modify the annual Service Plan and budget.

After incorporation, the Board would serve dual roles. It will continue to be the CTID Advisory Board for City Council and the Board of Directors for the non-profit corporation. The Administrator would become the Executive Director overseeing operations, budgeting and administrative needs such as accounting, legal, and insurance.

In a seamless transition, the incorporation will provide continued service to the City, community organizations and tourism-based businesses, while affording operational flexibility to the CTID.

Benefits:

- Frees City from providing accounting, legal and staff consultancy to CTID
- Proven structure used by other communities
- CTID provides Annual Review/Service Plan to City for approval
- Allows CTID to market hotels and businesses that do not collect assessment

<b>ANNUAL CTID BUDGET</b>		
	<b>Estimated Actual FY 2010-11</b>	<b>Projected FY 2011-12</b>
Balance carry forward		\$54,370
<b>Revenue</b>		
Re-forecasted revenue generated by CTID assessment	\$465,000	\$488,000
<b>Expenses</b>		
Re-forecasted revenue generated by CTID assessment		
<b>San Diego Convention &amp; Visitors Bureau (ConVis)</b>	\$250,000	\$300,000*
<b>Marketing and Promotion Components include:</b>		
Print, online, radio and other platforms		
Underwriting special tourism-based events		
Programs targeting visitors from San Diego County		
Promotion of alternative routes for reaching Coronado		
Developing web tools that promote Coronado		
Photo and video archive for promotion/marketing		
<b>Local Marketing</b>	\$35,000	\$70,000
Print, online, radio and other platforms		
Researching improvements for Visitor Center		
Exploring way-finding signage feasibility		
<b>Creative design and artwork</b>	\$20,000	\$10,000
<b>Operations</b>		
Administrator	\$56,630	\$70,200
Administrator expense	\$5,000	\$5,000
Accounting		\$5,000
Legal		\$10,000
Insurance		\$2,000
Incorporation	\$7,000	
<b>Community Grants - tourism</b>	\$12,000	\$20,000
<b>Contingency</b>	\$25,000	\$25,000
<b>Reserve</b>		\$25,000
	<b>Total</b>	\$542,200
	<b>Balance</b>	\$170

\*Scope of ConVis contracted work for FY 11-12 to be negotiated

## BUDGETING

After reviewing hotel occupancy and tourism forecasts, the CTID Advisory Board anticipates a 5% increase (over FY 10-11 actuals) in collected assessments for fiscal year 2011-2012, a projected total of \$488,000.

## CONVIS CONTRACT

At this time, the CTID is negotiating with ConVis to plan a marketing strategy for FY 2011-2012, which provides greater impact for our hotels and business districts. Some first year non-reoccurring expenditures, such as research and the branding of Coronado, will not be necessary therefore allowing for less "ramp up" costs and more dollars dedicated to marketing efforts.

In FY 2011-2012, the CTID will continue to benefit from a variety of ConVis services including media placement, tourism trending/forecasting, advocacy and tactical planning.

- Invest approximately \$300,000 or 50% of collected assessments (whichever is greater) with ConVis
- Negotiate terms and deliverables in line with CTID mission
- Coordinate ensuing ConVis efforts and provide support
- Share opportunity, services and results with others

## MARKETING

If current revenue pacing continues, the CTID will collect \$465,000 in assessments this fiscal year. After expenses, an estimated \$54,370 would be carried over to FY 2011-2012. These discretionary funds will offset operational costs in the next fiscal year plus allow for additional campaigns to promote Coronado to potential tourists.

In FY 2011-2012 approximately \$175,000 of the \$300,000 ConVis expense would be used for improving overnight hotel stays in Coronado.

The increase in collected assessments will allow the CTID to double its local marketing efforts. Local businesses will benefit from \$70,000 in multi-media efforts.

- Advertise Coronado locally, regionally and nationally
- Position Coronado as year-round destination
- Effectively promote alternative routes into Coronado
- Contribute to vitality of community and residents

## BRANDING

Now that there is a cohesive logo and tagline, the CTID Advisory Board will brand campaigns targeting day-visitors in the San Diego region. (Non-print marketing efforts will only utilize the “A Bridge Away” tagline.)

Once trademarked, the City will assign usage of the Coronado brand to the CTID to manage.

- Regulate usage of logo as instructed in Style Guide
- Apply branding campaigns across the bridge
- Evaluate the advantages/challenges with merchandising
- Discuss usage of logo to brand City within boundaries

## GRANTING

In the next fiscal year, the CTID projects a 40% increase in community grants to \$20,000 for selected events that directly impact hotel stays and have a positive economic impact on business.

- Evaluate and approve revised grant program/process
- Identify and allocate grant budget
- Advertise and promote grant program and improvements
- Award grants that improve hotel visits and day-visits

## SHORT-TERM GOALS

Expanding the grant program was one of many initiatives the CTID has approved to further improve the number (and length) of overnight visits and day-visits from San Diegans. Next fiscal year marketing goals include:

- Widen marketing budgets and evaluate advertising options
- Invest in photography/video to promote Coronado events
- Investigate web tools (such as web cams) to inspire visits
- Work with Coronado Visitor Center to enhance guest experience
- Explore options for more effective public transportation usage

## LONG-TERM GOALS

Goals that require longer than one-year:

- Comprehensive digital strategy with web/mobile/text ability
- Work with stakeholders on way-finding signage concepts
- Evaluate need of satellite Coronado Visitor Centers
- Develop and distribute comprehensive transportation brochure/website
- Study the benefits of a downtown shuttle and share findings



## MOVING FORWARD

The CTID has proven its ability to work cooperatively with many organizations, create programs that benefit all businesses serving tourists and ultimately, be fiscally responsible.

With that trust in mind, the CTID strives to be even more self-reliant and independent.

The CTID endorses continuation under the current 1989 law; implementing the annual Service Plan via special services contract with the City.

The CTID wishes to become a self-governing non-profit entity, planning, funding and implementing marketing campaigns independently. As its own corporation, services previously provided by the City would be paid for and managed by the new non-profit entity.

Through it all, the CTID will continue to be productive, transparent and responsible in its service to stakeholders.