



This report encompasses the activity and financials of the Coronado Tourism Improvement District (CTID) between January 1 2013 and March 31 2013.

Assessment & Revenue

During Q3, assessments collected at the four CTID hotels totaled \$113,025. The funds are wire transferred to the CTID's bank account that generated \$12.46 interest during the quarter. There are no other revenue sources for the CTID.

Collected assessments Q3:	\$113,025.00
Interest earned Q3:	<u> \$12.46</u>
Total revenue:	\$113,037.46

Year to date collections are almost exactly as expected, 5% over FY12 actuals. The assessment total is a mere \$776 over projections.

Annual Meeting

As in years past the Board used its February meeting for long term planning. At issue was the rapid decline of foot traffic, customers and revenue for businesses during the months of January, February and March. Current assessment levels do not allow for consistent marketing during the entire nine months of the off-season. The Board explored the benefits of increasing the CTID assessment in the future so advertising campaigns could be in the field when merchants needed them most. The approval process for changing assessment levels is long and complicated. Although it was delayed, the topic will be vetted once again beginning this summer.

After initial research by the Restaurant Subcommittee, the Board discussed the need for a printed dining guide to strengthen the hospitality category in Coronado. Local publishers of existing dining guides shared their perspective but the Board tabled the topic until more research could be completed.

The Executive Director reported his findings on cost-effective efforts to shuttle guests across the island during summer. While the CTID does not promote summer vacations, the Board hopes to one day support a shuttle system because it improves the overall visitor experience. The Board reviewed three options including the rebranding of the MTS 904 bus as a free shuttle between Memorial Day and Labor Day. Concerns about routing, usage and costs forced the Board to table the topic until assessment levels allowed for approval.

To close the meeting the Board identified a series of goals it planned to complete if approved for FY14:

- Convert existing app for guests who use iPads/tablets to research destinations
- Investigate cost-effective means to shuttle guests
- Continue to support way-finding signage in Coronado
- Improve the image of Coronado as a dining destination

Marketing

To attract more day-visits from guests across the bridge, full pages ads were placed in the January and February issues of both San Diego Magazine and San Diego Home & Garden.

In early March a four-page newspaper insert promoting Coronado as a springtime destination was distributed. Two hundred thousand copies were delivered to subscribers in Los Angeles, Phoenix, San Francisco and Orange County. Included in the supplement was an entire section titled "Carless and Carefree in Coronado" that encouraged usage of the Water Taxi and Coronado Ferry to reach the island. To discourage vehicle usage, the piece also featured the MTS 904 bus, the Visit Coronado mobile app and guided walking tours for seeing Coronado's landmarks.

Also in March, banner ads for Coronado reappeared on vital travel websites such as TripAdvisor.com and VirtualTourist.com. A small keyword search campaign on Google and Yahoo started as well.

In April, readers in Los Angeles and Phoenix noticed full-page ads for Coronado in their copies of Travel + Leisure, Real Simple, Food & Wine, Elle Décor and Town & Country.

As businesses closed their books on March the Executive Director launched another independent marketing study that measures the impact of the CTID campaigns. Revenues during March, April and May will be compared to previous year totals and a full report will be available this summer.

Collaboration

During the quarter the CTID shared its resources with others. In the March newspaper insert the CTID promoted events organized by both the Coronado MainStreet and Coronado Floral Association. The CTID PR team coordinated TV coverage for the same events. Neither organization was charged for these services.

The CTID assisted the development of the new Coronado Visitor Center website by providing a series of images at no cost.

Compliance

During the quarter the CTID assisted the City's wish to review its agreed upon procedures for financial processing. The Executive Director provided numerous documents, invoices and statements to an accounting firm overseeing the project. The audit report found no discrepancies and no concerns with the existing CTID finance systems.

Annual Reporting

During March, the CTID prepared and delivered its Annual Report to the City. The data was reviewed by the Board and included these highlights:

Business grew 5% on average when CTID campaigns were in the field
Occupancy grew 5% during calendar year 2012
Most recent sales tax reports show 4% growth during Q3 of 2012

The report concluded that assessments for FY13 were expected to close as expected at \$545,000 (5% over FY12 actuals.)

Projected budgets for FY15 and FY16 were included in the report. Each reflected a modest 3% increase over the previous year actuals.

Although it was discussed at the Annual Meeting of the CTID the Board did not request any change to the existing terms of its Special Services Agreement with the City.

Community Grants

In February the Board discussed improvements to their CTID community grant program. So the Board can better understand and ask questions of each applicant, two-minute verbal presentations will be allowed before any decision-making. This will help Board members "put a face with the name" of the organization and ascertain how granting impacts each event.

The Board will likely award the grants at the July meeting.