

# Coronado Tourism Improvement District (CTID)



## Minutes from Advisory Board/Board of Directors Meeting March 20, 2014, Council Chambers, Coronado, Ca.

1. Call to Order. The meeting of the CTID was called to order at 1:05 p.m. The following CTID Advisory Board/Board of Directors were present: Claudia Ludlow, Andre Zotoff, Mary Ann Berta, Denise Schwab, Eddie Warner, David Spatafore and Phil Monroe. Nusrat Mirza was absent and Loews Coronado Bay Resort was not represented.

Also in attendance: Executive Director (ED) Todd Little, Assistant Coronado City Manager Tom Ritter, Karen Finch of Coronado Chamber of Commerce, Janet Francis of Coronado Visitor Center, and Frank Spitzer.

2. Approval of Minutes from February 6, 2014. *Motion for approval: Monroe. Second: Warner. Unanimously approved 7-0.*
3. Approval of Minutes from March 6, 2014. *Motion for approval: Schwab. Second: Spatafore. Unanimously approved 7-0.*
4. Staff Discussion and Updates. None.
5. Discuss and Possibly Approve FY14 Annual Report. The ED told the Board the draft report now includes the cover letter from our Chair, long-term goals and the budget. The budget sheet has been updated to reflect some valuable recommendations from Eddie Warner. She has also provided some typo corrections and suggestions that the ED and Secretary will consider once he receives everyone's adjustments.

Brian Johnson of Loews will not be included in the report because he won't be sworn in prior to March 31. It is hopeful he will be in attendance for the next scheduled meeting April 3, 2014.

The "Measuring Results" section now includes sales data that was requested in the previous meeting. The ED is unable to compare the spring Local Marketing Study with sales data because the study window (March-April-May) straddles Q1 and Q2. The City cannot isolate data solely from those months. The sales data that matches the Fall Local Marketing Study was released. For October, November and December 2013 sales tax grew 11%, the study indicated a 10% growth. The ED will add this data to the Annual Report.

The ED directed the Board to these points on the draft budget:

The "Adjusted FY14" budget column was created last September after the reallocation of the national marketing budget with San Diego Tourism Authority (SDTA) and the reclassification of the ED position to that of an employee. The reclassification came with additional costs in bookkeeping, taxation and workers comp insurance. The previous Chair, Brian Johnson, wanted to adjust the planned contribution to the long-term planning fund to off set those additional costs. In September, he anticipated a contribution to the long term planning fund of just over \$23,000. With the unplanned 3% growth in assessments this year, it appears the CTID will be able to contribute the full \$25,000. On July 1, 2014, the balance of the Long Term Planning Fund could be \$63,014.

The budget lines in "FY14 EOY Estimate" come from actual expenses or expenses yet to come. At the bottom of the EOY column is an \$11,986 expense against the Long Term Planning fund for the wrapping of the Free Summer Shuttle. The carry forward into FY15 will be about \$22,000. The ED said this will be important because of the expected cost of the Economic Impact Study.

In the projected budget for "Requested FY15," the numbers are based on a 5% growth in assessments. Typically, the expense for National Marketing is about 60% of assessments. The ED felt a budget of \$370,000 for national marketing was effective. He reminded the Board the allocations are only placeholders until the Board finalizes the national expenditures in May or June. The national marketing budget does not reflect the allocation changes the Board applied in September to retain Robert Arends through a series of lay-offs at SDTA.

For Local Marketing the ED proposed \$80,000 with the Board approving actual allocations in June. The slight increase could also allow the Board to promote the new website under development.

As the Board approved, the FY15 Community Grant budget has been increased by \$5,000 for regional campaigns that use local events as inspiration for visiting and staying in Coronado. The target markets would be LA, Orange County and Phoenix instead of San Diego only. In FY16, the Community Grant fund could climb to \$30,000 then \$35,000 in FY17.

The ED felt the biggest change in the FY15 budget is the request for \$15,000 to develop a website that combines the best of the Coronado Visitor Center (VC) website with the functionality of the tablet app the ED was developing. A great deal of that budget line will cover the cost of photos and videos the Board needs to license plus the production of new shots and video footage. Also on that line is licensing of the Visit Coronado mobile app for another year (and the content management system that supports it.) The ED believes it will leave about \$8,500 for the actual redesign and upgrades to the VC framework.

In FY16 and FY17, the ED modified the assessment revenue to reflect 5% growth and 3% growth respectively.

Secretary Denise Schwab told the Board she will work with the ED to correct any typos and make recommendations for improving the report. Andre Zotoff asked whether the projections were based on revenue or RevPar. (RevPar stands for revenue per available rooms and is calculated by

multiplying a hotel's average daily room rate by its occupancy percentage.) He was told total revenue. He felt the Hotel Del's revenue would be much higher than RevPar. (He had provided a RevPar projection so the ED could make an assessment projection for FY15.) Eddie Warner thought it was unrealistic to show no salary increase for the ED in FY17. She also felt no planned increase for the local marketing budget would be concerning to Council Members. Andre Zotoff asked about the reallocations made by the SDTA in September to save Robert Arends' job. He asked whether it meant Robert was pitching stories exclusively for Coronado (or whether San Diego was mentioned in media meetings.) Claudia Ludlow has traveled with Robert and said he was almost exclusively focused on Coronado during pitches. Andre questioned whether the SDTA was delivering on its promises, including the delivery of documents such as the Smith Travel Report. Recently, Andre Zotoff received a report on the San Diego hotel industry and Coronado was not included. He wondered if SDTA was the source of report and why Coronado was excluded. David Spatafore commented on the planned increase for the community grant program saying it and a few other lines belong under the local marketing section of the budget. He recommended having "Creative Design" and general expenses under "Other" follow "Local Marketing" as well. Doing so would ease the worries of those who would question the flat \$80,000 budgets for FY15-FY17. He felt the regional strategy for the grant program made more sense because guests from LA, Orange County, Phoenix and Palm Springs stay longer and spend more than day-visitors from San Diego. Eddie Warner said the community grant programs were included in the inception of the CTID and any significant change could draw a red flag by Council members. David Spatafore felt the regional advertising for the grant program would be more valuable to event planners than simply writing a check to them. Eddie Warner thought moving non-advertising expenses under "Local Marketing" was masking the flat budget projection. Andre Zotoff agreed that the regional approach for the grant program was best for everyone. Eddie then suggested the program be called "Community Event Marketing" instead of Community Grant Program. So the shift could be fairly noted, Phil Monroe suggested splitting the budget expenses into separate budget lines "Community Grant" through FY14 then "Community Event Marketing" beginning in FY15. He also commented that he had spoken to five groups about the shift with the grant program and felt there was not a great deal of push back. David Spatafore recommended a 3% increase to the local marketing budget for FY16 and FY17.

Eddie Warner asked for clarification on whether the CTID is working with the VC on a new website. She was told yes and the ED offered to rewrite that portion of the Annual Report. Phil Monroe mentioned that he is tabulating sales data to share with the Board. *Motion to approve Annual Report with prescribed corrections and budget modifications: Schwab. Second: Spatafore. Unanimously approved 7-0*


6. Discuss and Possibly Approve Wrapping of Free Summer Shuttle. The ED summarized the staff report that requests \$12,250 for the CTID to wrap the Free Summer Shuttle beginning in June. The actual projected cost is \$12,059 but the ED added a \$191 cushion should there be delays with artwork or overages with production costs. He said if this expense was approved the City would take today's decision to Council members. The artwork would be finished in May and the buses will roll in June.

Andre Zotoff asked for background data on the Shuttle. He was told the Shuttle was a rebranding of the existing #904 bus route that runs between the Coronado Shores and Coronado Ferry Landing. To

further underscore the Board's wish to collaborate with others, Eddie Warner suggested the artwork be first vetted by a group of community stakeholders (such as the Coronado Arts Commission then Design Review.) Tom Ritter of the City of Coronado was asked by Andre Zotoff why a new design was necessary. He thought the artwork would benefit from a freshening so the messaging was even clearer. He felt a very small group could review the artwork but "artwork by committee" was not advised. David Spatafore felt an update was not necessary because ridership grew nearly 500% last year. Claudia Ludlow felt changing artwork that was already successful was a waste of time and money. Andre Zotoff felt there could be a greater opportunity to invest in a digital sign with rotating messages. He felt a sponsor could offset the costs for this project in the future. Denise Schwab felt assembling an outside committee to develop the artwork dilutes the CTID's contribution to the project. David Spatafore said that if other organizations want to develop the Shuttle artwork they should pay for the wrap. He and Andre said those who write the check should oversee the artwork. Eddie Warner thought it was a respectful way to approach the second year of the Shuttle. Mary Ann Berta was open to a design change as needed. The ED was asked if he had heard concerns with last year's artwork. He said he had heard only one complaint where someone did not like the San Diego skyline in the photo for the Coronado Ferry Landing. Eddie Warner added that last year a review by Design Review was skipped so the Shuttle could start July 5th. She felt it was appropriate to have the artwork send to Design Review because there was ample time to do so. David Spatafore said those who had concerns with last year's artwork are given a forum at CTID meetings to speak. He felt it was disrespectful for them to not air their concerns. *Motion to approve vinyl wrap of Shuttle not to exceed \$12,250. Design costs are not approved: Schwab Second: Spatafore. Approved 6-1 (Warner opposed.)*

7. Adjournment: The meeting ended at 1:58pm.

  
Denise Schwab, Secretary, Date

  
Todd Little, Executive Director, Date