

# San Diego Tourism Marketing District



Proposed  
District Management Plan  
For Renewal Beginning  
January 1, 2013

Budget & Finance Committee Meeting October 19, 2011

# SDTMD District Management Plan

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## □ **Benefits to Tourism Marketing Districts:**

- *Are designed, created and governed by those who will pay the assessment;*
- Specifically benefit only those who pay;
- Provide a stable funding source for tourism promotion;
- Are customized to fit the needs of businesses in each tourism district;
- Allow for a wide range of services, but funds cannot be diverted for other government programs

# SDTMD District Management Plan

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- ❑ **District:** Boundaries coincide with the boundaries of the City of San Diego.
- ❑ **Activities:** Marketing and sales promotions to increase room nights San Diego lodging businesses.
- ❑ **Budget:** Anticipated to average \$30 million per year.
- ❑ **Assessments:** 2% of gross short term room rental revenue on lodging businesses of 30 rooms or more.
- ❑ **Duration:** Thirty-nine and one half years.

# SDTMD District Management Plan

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## □ SDTMD Funding Allocations:

- ConVis Destination Marketing = 55%
  - ConVis Sub-regional Marketing = 5%
  - Marketing Support Programs = 32%
  - Total Annual Marketing Allocation = 92%
  - Contingency & Administration = 8%
- 100%

# SDTMD District Management Plan

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- ❑ **SDTMD Will NOT Fund:**
- ❑ The acquisition, construction, installation or maintenance of any tangible public property;
- ❑ Political candidate or ballot initiative activity;
- ❑ Bonds.

# SDTMD District Management Plan

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- **Prop 26, exception 1:** *"A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged..."* There are two parts to this exception.
- **First**, we must confer the specific benefit to the payors.
- **Second**, we must not confer the specific benefit to those not paying.
- **Defining** specific benefit as "providing room nights."

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- ❑ It is required that all recipients of SDTMD funds certify that those funds will be spent to provide incremental room nights only to SDTMD payees and not to any other lodging businesses. To the extent that other lodging businesses may receive incremental room nights, that portion of the promotion or program will be paid for by non-SDTMD funds.
- ❑ It is required that all recipients of SDTMD funds demonstrate other and additional sources of revenue and to contribute non-SDTMD funds to the promotion or program to pay for any incidental benefit to non-SDTMD lodging businesses.

# SDTMD District Management Plan

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- ❑ It is required that all advertising materials and media include a call-to-action that directs consumers exclusively to SDTMD lodging businesses.
- ❑ It is required that all recipients of SDTMD funds conduct an analysis of room night generation for SDTMD lodging businesses and non-SDTMD lodging businesses in addition to an ROI analysis. Room nights generated for non-SDTMD lodging businesses must be paid for with non-SDTMD funds.

# SDTMD District Management Plan

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- **Room Night Production:** Over the first four years of operation the SDTMD has delivered significant incremental hotel room night stays to lodging businesses of 70 rooms or more in the District.
- **FY08/09:** Approximately 2,650,856 room nights
- **FY10:** Approximately 3,546,549 room nights
- **FY11:** Approximately 3,112,074 room nights
- **TOTAL: 9,309,479 room nights**