

**Agenda Item 3.A**

**MINUTES\***  
**SAN DIEGO CONVENTION CENTER CORPORATION**  
**THE BOARD OF DIRECTORS**

**BOARD MEETING OF AUGUST 23, 2023**

**BOARD MEMBERS PRESENT:** Chair Carlos Cota and Directors Shawn VanDiver, Jaymie Bradford and Alyssa Turowski  
**BOARD MEMBER(S) ABSENT:** Directors Jeff Gattas, Will Rodriguez-Kennedy and Carol Kim

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl, Michael Milligan, Victoria Mitchell, and Pat Evans (Recorder)

**ALSO PRESENT:** Jennifer Lyon, General Counsel

\*Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or [pat.evans@visitsandiego.com](mailto:pat.evans@visitsandiego.com) to request a copy.

**1. Call to Order**

Chair Carlos Cota called the Board Meeting to order at 12:11 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

Chair Cota then called roll to determine which Directors were present:

**Director Cota – Present**  
**Director Gattas – Absent**  
**Director VanDiver - Present**  
**Director Bradford – Present**  
**Director Rodriguez-Kennedy – Absent**  
**Director Turowski– Present**  
**Director Kim – Absent**

All Directors were recorded as present except Director Jeff Gattas, Director Will Rodriguez-Kennedy and Director Carol Kim. Chair Cota noted that all votes taken during this meeting would be recorded via roll call vote.

2. **Non-Agenda Public Comment** – Chair Cota inquired if any member of the public wished to comment on any non-Agenda items. No members of the public responded to the request for comment.

3. **Board Committee Reports and Board Action Items:**

**Consent Agenda:**

**A. Approval of Minutes of Board Meetings of June 28, 2023, and July 12, 2023.**

Chair Cota inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Cota then inquired if any member of the public wished to comment on Agenda Item (3.A). No members of the public responded to the request for comment.

Director Will Rodriguez-Kennedy arrived at the meeting at 12:13 p.m. and Director Carol Kim arrived at the meeting at 12:14 p.m.

**After request for Director discussion and for public comment, Directors Bradford and Turowski moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.**

- Director Cota – Aye**
- Director Gattas – Absent**
- Director VanDiver – Aye**
- Director Bradford – Aye**
- Director Rodriguez-Kennedy – Aye**
- Director Turowski – Aye**
- Director Kim – Aye**

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**Action Item(s):**

**B. Budget Committee (Shawn VanDiver)**

**(1) Acceptance of Financial Report from Chief Financial Officer**

- Ms. Mattix reported that the written financial reports are still in draft form as they are in the process of being reformatted. She would like to schedule meetings with Directors to review the new format prior to the next Board meeting. The new format is more aligned with the City’s manner of reviewing financial reports.
- The Corporation has also begun the audit process.
- The Corporation’s year-end budget was fantastic. The Corporation earned \$4 million more in revenue than budgeted and forecasted.

- Thanks to the Corporation’s partners’ ancillary services revenues, the Corporation stayed right on track with events and rents. The Corporation’s partners did an outstanding job of selling the building and providing services to the clients.
- The “tweaks” implemented by the Corporation’s Sales team for near term business (within 5 years) and focusing on tech shows and corporate business, has made a huge impact not only on the Corporation, and the City in general, but also for our partners. Ms. Mattix is proud of the Sales team for implementing the changes and, projections are that fiscal year 2024 will be stronger than FY 2023 and FY 2025 also looks amazing.
- The downside of the improved business climate is the Corporation is experiencing excess utility costs of approximately \$1 million more than anticipated. By comparison, in 2019, during a peak business year, the Corporation spent a total of \$4.4 million in utilities compared to almost \$6 million this year. Staff will continue to monitor utility costs closely.
- The Corporation made its debt payments and invested \$2 million in capital improvements. The overall net effect means the Corporation only pulled \$125,000 from its reserves instead of \$5 million it had anticipated spending from reserves (including funds saved by delay of the roof project).
- The net position for reserves will remain at \$40 million. For the first month of FY 2024, the Corporation is on track.
- Ms. Mattix will forward updated financial statements to the Board along with a capital summary of where FY 2023 ended and an overview of fiscal outcomes for FY 2024.

After Ms. Mattix submitted her report, Chair Cota inquired if any member of the public wished to comment on Agenda Item 3.B.1. No members of the public responded to the request for comment.

**After presentation by Staff, Directors Kim and VanDiver moved and seconded, respectively, to Accept the CFO Financial Report from the Chief Financial Officer.**

- Director Cota – Aye**
- Director Gattas – Absent**
- Director VanDiver – Aye**
- Director Bradford – Aye**
- Director Rodriguez-Kennedy – Aye**
- Director Turowski – Aye**
- Director Kim – Aye**

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**(2) Authorize Purchase of Kitchen Equipment**

Chair Cota called for a staff report regarding this item. After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item 3.B.2.





- Ms. Coker lauded Mr. Rippetoe for the SDCCC’s team response to building oversight during the recent tropical storm.
- Ms. Coker reported that the long-term team exceeded their room night booking goal. The team booked 658,395 room nights and their goal was 650,000 room nights (101% of goal). From a hotel perspective, the goal was 450,000 and they booked 471,992 (105% of goal). The team booked 103% of goal into San Diego for future years.
- The long-term team is also booking smarter – 157,000 room nights booked will fall within the next two years.
- From a city-wide perspective, 63% of events booked fell within the next five years. That percentage is key because when SDTA and SDCCC were participating in contract negotiations, one of the goals was to put more business sooner (as opposed to ten to fifteen years out). By comparison, in 2019, 54% of booked business was within five years and in 2018 33% of booked business fell within five years.
- In terms of July, the July occupancy for San Diego was fifth in the country but it was number one in California. The only other western city that beat out California was Denver.
- From an ADR perspective, San Diego was third in the country and number one in California (Denver was below San Diego).
- With REVPAR (revenue for available rooms), San Diego was second in the country only behind New York.
- Ms. Coker also reported that Theresa Cunningham, SDTA’s new Director of EDI and Community Engagement, started yesterday. Ms. Coker and Ms. Cunningham will be meeting on Friday to establish KPIs for the position. For the first six months, Ms. Cunningham will focus on SDTA’s Tourism Accelerator Program and on executing SDTA’s “Tourism Diversity Matters” strategy. SDCC’s Executive Team will schedule an introductory meeting with Ms. Cunningham.
- SDTA received a very strong budget for FY 2024 - \$50,000,000 was awarded from the T.M.D. \$30,000,000 of those funds are specifically designated from marketing and advertising. San Diego will continue to be top-of-mind not only in the United States, but also from an international perspective.

After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (3.C). No members of the public responded to the request for comment. No vote was required on this item as it is a Sales & Marketing Committee update.

**4. President’s Report (Rip Rippetoe) – Mr. Rippetoe reported:**

- Mr. Rippetoe thanked the SDCCC team for its response to Tropical Storm Hilary. The team established an emergency response plan and there was no substantial flooding or damage to the building.
- The team received great cooperation from clients who were on site. Two out of the three shows on site went out of their way to work with staff on timing and scheduling to ensure safety of their guests and the third show worked closely with staff to ensure their event moved forward successfully.
- SPIE, a thirty-year client, was able to hold their opening reception on the outdoor terraces on Monday evening after the storm. SPIE was thrilled with our staff and Sodexo Live!’s planning and execution of their reception.

- Since the last Board meeting, staff attended the IAVM annual meeting and staff was also a part of the Pride Parade and festival. The Center also hosted a myriad of high-profile events in July and hosted employee Town Halls for all three shifts.
- The Center has also completed its interviews for the General Manager position. Additional details will be reported once candidate evaluations have been completed.

After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (4). No members of the public responded to the request for comment.

**5. Chair’s Report (Carlos Cota) – Chair Cota reported:**

- The SDCCC Summer Picnic for employees and their families is scheduled for Saturday, September 9, 2023, from 11:00 a.m. until 2:00 p.m. Directors and their families are invited to attend. Please contact Pat with your r.s.v.p.
- The next Board meeting is scheduled for September 27, 2023, at Noon.

**6. Board Comment [Govt. Code § 54954.2(a) (2)] – Director Rodriguez-Kennedy requested additional information regarding the City’s Climate Action Plan and its applicability to pending and future SDCCC projects. General Counsel Lyon requested that the issue be referred to staff for further action since discussion regarding this item was not included on the agenda.**

**7. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2): **None****

**8. Closed Session: The Board entered into closed session at 12:58 p.m. to discuss the items set forth herein below.**

**A. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION**

**Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): (1 case)**

**Facts and circumstances pursuant to Government Code Section 54956.9(e)(1)**

The Board returned to open session at 1:22 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “8.A,” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:23 p.m.

I, Will Rodriguez-Kennedy, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on August 23, 2023, and that said minutes were approved by the Board of Directors on September 27, 2023.

*[Approved at Board Meeting of September 27, 2023]*

Will Rodriguez-Kennedy, Secretary