

**SAN DIEGO CONVENTION CENTER CORPORATION
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, JANUARY 31, 2024, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

**Telephone number for members of the public
to observe, listen, and address the meeting telephonically:
1(888) 251-2909 – Access code is 6724115#**

1. **Call to Order** – Carlos Cota, Chair
2. **Passing the Gavel**
3. **Non-Agenda Public Comments**

This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that are not on the posted agenda. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.

4. **Board Committee Reports and Board Action Items**

Consent Agenda:

- A. **Approval of Minutes of Board Meetings of December 13, 2023**

Action Item(s):

- B. **Budget Committee (Will Rodriguez-Kennedy)**

- (1) **Financial Update from Chief Financial Officer**

- (2) **Authorization to Ratify Contract for ERP (Momentum Elite) Software Subscription Renewal**

- (3) **Authorization to Ratify Design Consulting Contract**

- C. **Sales & Marketing Committee (Shawn VanDiver)**

5. **Chief Operating Officer Report** (Corey Albright)
6. **President's Report** (Rip Rippetoe)
7. **Chair's Report** (Jeff Gattas)
8. **Board Comment** [Govt. Code § 54954.2(a)(2)]

9. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2)

Adjournment

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Agenda Item 4.A

MINUTES* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS

BOARD MEETING OF DECEMBER 13, 2023

BOARD MEMBERS PRESENT: Chair Carlos Cota and Directors Jeff Gattas, Will Rodriguez-Kennedy, Shawn Van Diver, Alyssa Turowski, and Carol Kim

BOARD MEMBER(S) ABSENT: Director Jaymie Bradford

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

ALSO PRESENT: Jennifer Lyon, General Counsel

*Meeting Minutes memorialize votes on "Action Items" and Staff Reports and are not a verbatim transcript of regular Board meetings. Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.

1. Call to Order

Chair Carlos Cota called the Board Meeting to order at 12:10 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 – Present
Director VanDiver - Present
Director Bradford – Absent
Director Rodriguez-Kennedy – Present
Director Turowski– Present
Director Kim – Present

All Directors were recorded as present except Director Jaymie Bradford. 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.

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Committee regarding Agenda Item (2), and she was granted an opportunity to address her comments to the Board regarding the Corporation’s compliance with City of San Diego Work Force Report requirements.

Ms. Martha Sullivan submitted a speaker’s slip requesting an opportunity to address the Board regarding Agenda Item (2), and she was granted an opportunity to address her comments to the Board regarding donating San Diego Convention Center’s event surplus food to City Safe Sleeping areas.

3. **Presentations:**

Director Recognitions: Carol Kim and Carlos Cota – Mr. Rippetoe presented Director Kim and Director Cota with replicas of the “Flame of Friendship” to commemorate and thank them for their Board service.

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

Consent Agenda:

A. Approval of Minutes of Board Meeting of October 25, 2023, and “Special” Board Meeting of November 27, 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 (4.A). No members of the public responded to the request for comment.

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

**Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Absent
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 the following:

- The Board packet contains the Corporation's newly updated financial reports. Ms. Mattix apologized for not having the opportunity to train the Board in the new format; however, training will take place in the coming months.
- The financial performance is posted through October and staff is happy to announce that we are doing better than budgeted expectations. Some aspects of the financial reports look a little different compared to historical trends and that is because revenues are down slightly, compared to budget.
- The Corporation usually ends up with higher revenues than we budgeted, but there are some good reasons for the current outcome. One of the reasons is The Corporation had not finalized its sales strategy at the time we budgeted eighteen months ago, and so, intentionally, we did not fill in some of the gaps in between the Citywide sales events with some of the short-term sales events we traditionally had booked in the past.
- We usually book approximately 100 events a year for short-term sales, and we have scaled that down to approximately 40 to 50. However, you will notice that the bottom-line impact is actually a little bit better than we had projected because the health of the events that have been booked are doing much better than budget.
- Although we are struggling with projected event revenue for building rent, we have actually made up for the rent shortfall with ancillary revenues.
- For the month of October, we hosted four citywide events and two meetings & seminars and that was a fantastic month.
- Regarding expenses, the Corporation is trailing budget, so we look a bit better than we should at this point in the year and that is because there have been some supply chain issues with some of the line items for repair and maintenance. We are just off on timing, but we do expect most of those expenses to occur by the end of the year.
- The other one good thing we can report is we are no longer way over budget in utilities and after diving into that situation a bit, we determined it was really a budgetary spread issue that we had rather than a budgetary issue.
- Now, we will be slightly over budget by the end of the year, but costs have evened out. We are no longer \$900,000 over budget - we are approximately \$388,000 over budget.
- Consumption is actually under the consumption rate of last year - the fees and the transmission costs are standard as they only went up approximately (3%). The community power side of the equation, though, did go up higher than we had budgeted, so we are trailing slightly because of that, but we are looking okay.

- When you review the financial statements, the change in net position is the line that you want to pay attention to, and, at this point in the year we anticipated we would have experienced a loss of approximately \$1 million, after operations (after making debt payments and after interest from bank accounts are taken into consideration).
- I am happy to report that the Corporation is almost cost neutral. We are \$100,000 under budget (at a loss), so we are doing \$900,000 better than we expected at this point in the year.
- Regarding capital, the Corporation did have a \$13 million capital budget, and we are probably not going to do all of those projects this year. There are a couple of projects we already know will not be received in time because of supply chain issues so they will be pushed into future years.

After Ms. Mattix submitted her report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.B.1).

Ms. Lori Saldaña submitted a speaker's slip requesting an opportunity to address the Committee regarding Agenda Item (4.B1.), and she was granted an opportunity to address her comments to the Board regarding the cost of utilities in San Diego.

Ms. Martha Sullivan submitted a speaker's slip requesting an opportunity to address the Committee regarding Agenda Item (4.B.1), and she was granted an opportunity to address her comments to the Board regarding the Corporation expending more effort to assist the City's homeless population.

After presentation by Staff, and public comment, Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to Accept the CFO Financial Report from the Chief Financial Officer.

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(2) Authorization to Contract for File Digitization

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 (4.B.2).

Ms. Lori Saldaña submitted a speaker's slip requesting an opportunity to address the Board regarding Agenda Item (4.B.2), and she was granted an opportunity to

address her comments to the Board regarding the Corporation's compliance with City of San Diego Work Force Report requirements.

After presentations by Staff, and public comment, Directors VanDiver and Turowski moved and seconded, respectively, to Authorize a Contract for File Digitization services with USAimaging, with a not-to-exceed project budget of \$115,000, inclusive of contingency.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

(3) Authorization to Contract for Building Automation System Consultant

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 (4.B.3). No members of the public responded to the request for comment.

After presentations by Staff, Directors VanDiver and Rodriguez-Kennedy moved and seconded, respectively, to Authorize a Contract for a Building Automation System Consultant with SC Engineers with a budget of \$224,000.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

(4) Authorization to Contract for Medium and Low Voltage Testing

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 (4.B.4).

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Board regarding Agenda Item (4.B.4), and she was granted an opportunity to address her comments to the Board regarding the possibility of using a City of San Diego Engineer, retained under the City’s Climate Action Plan, to perform the Center’s voltage assessment/testing since the Center is a attendant agency of the City.

After presentations by Staff, and public comment, Directors VanDiver and Rodriguez-Kennedy moved and seconded, respectively, to Authorize a Contract for Medium and Low Voltage Testing with Applied Engineering Concepts, with a not-to-exceed budget of \$115,000 inclusive of a ten percent contingency.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

(5) Authorization to Ratify a Fire Pump Change Order

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 (4.B.5). No members of the public responded to the request for comment.

After presentations by Staff, Directors VanDiver and Kim moved and seconded, respectively, to Authorize Ratification of the Fire Pump Change Order (\$52,415) with Brashaw Engineers. The newly amended final project cost is \$473,111.43.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

(6) Authorization to Contract for Rollup Door Replacement

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 (4.B.6). No members of the public responded to the request for comment.

After presentations by Staff, Directors VanDiver and Rodriguez-Kennedy moved and seconded, respectively, to Authorize a Contract for a Rollup Door Replacement with Superior Doors at a not-to-exceed cost of \$125,000, inclusive of contingency.

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(7) Authorization to Contract for Generator Electrical Infrastructure

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 (4.B.7).

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Committee regarding Agenda Item (4.B7.), and she was granted an opportunity to address her comments to the Board regarding the Corporation’s compliance with City of San Diego Work Force Report requirements. Ms. Saldaña also addressed comments to the Board regarding Agenda Item (4.B.6), where she inquired about the potential of the Corporation recouping its costs of the rollup door replacement from a federal entity since the door was damaged during shelter operations.

Ms. Martha Sullivan submitted a speaker’s slip requesting an opportunity to address the Committee regarding Agenda Item (4.B.7), and she was granted an opportunity to address her comments to the Board regarding her reservations about the validity of the “sole source” award process for this item.

After presentations by Staff, and public comment, Directors Kim and Gattas moved and seconded, respectively, to Authorize a Contract for Generator Electrical Infrastructure with Neal Electric at a not-to-exceed budget of \$1,150,000.

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

Director Turowski left the meeting at 1:12 p.m.

C. Audit Committee (Will Rodriguez-Kennedy)

- (1) Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company**

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 (4.C.1).

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Committee regarding Agenda Item (4.C.1), and she was granted an opportunity to address her comments to the Board regarding the closure of the “Pedex” border crossing and the closure’s potential impact on Corporation employees seeking medical care in Mexico.

After presentations by Staff, and public comment, Directors Gattas and VanDiver moved and seconded, respectively, to Authorize Placement of Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company.

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

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

D. Sales & Marketing Committee (Jeff Gattas)

Director Gattas reported that there was no scheduled Sales & Marketing Committee meeting, and he referred Directors to the Sales Reports included in the Board packet.

Andy Mikschl reported on the notable public local events taking place at the Center in the next couple of months:

- The Auto Show, the Bridal Bazaar, the Home Show, and the MLK Human Dignity Breakfast.

Ms. Coker reported on the following:

- Ms. Coker discussed the success of the American Society of Hematology event in early December.
- She also provided an update regarding the January premiere industry event, PCMA, noting that former President Clinton and former Secretary of State Hillary Clinton will be guest speakers.
- The event will also include a concert at the Rady Shell (“Boys-to-Men”) and a networking event at SeaWorld.
- Ms. Coker noted the sales team attended its annual December client event (70 client guests) at Butch McGuire’s in Chicago and the team had an opportunity to touch bases with Ashley Jackson, the new City-wide sales manager (originally from San Diego) and the Midwest client market.
- Mr. Rippetoe reported that he is attempting to get attendance badges for Directors and staff management who are interested in attending the PCMA event.

After staff submitted its reports, Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.D). 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.

E. Nominating Committee (Carlos Cota)

(1) Election of Officers

Chair Cota delivered the Nominating Chair’s report regarding this item. After he submitted his report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.E.1). No members of the public responded to the request for comment.

After Nominating Committee Chair Cota presented his report, Directors VanDiver and Gattas moved and seconded, respectively, to approve the Proposed Slate of 2024 SDCCC Board Officers as set forth below:

Jeff Gattas - Chair
Shawn VanDiver – Vice-Chair
Will Rodriguez-Kennedy – Treasurer
Alyssa Turowski - Secretary

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

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

(2) Ratification of Board Committee Assignments

Chair Cota delivered the Nominating Chair’s report regarding this item. After he submitted his report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (4.E.2). No members of the public responded to the request for comment.

Director Rodriguez-Kennedy sought clarification regarding the “Director 1” and “Director 2” designations on the Board Committee Roster. After discussion, “Director 1” was identified as Director Kim’s replacement, and “Director 2” was identified as Director Cota’s replacement.

After Nominating Committee Chair Cota presented his report, Directors Kim and Cota moved and seconded, respectively, to Ratify the Board Committee Assignments with the proviso identifying the new Directors set forth above.

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

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

5. **Chief Operating Officer's Report (Corey Albright)**

- Mr. Albright thanked Ms. Mitchell and her team for all of their hard work on today's multiple agenda items and he also expressed appreciation to Director Kim and Director Cota, for their support, both personally and professionally.

After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (5). No members of the public responded to the request for comment.

6. **President's Report (Rip Rippetoe)** – Mr. Rippetoe reported:

- Mr. Rippetoe thanked staff, Board Directors, and internal and external partners for their hard work over the last year.
- Mr. Rippetoe also commented on the recent positive customer service reviews the staff have received from various clients.
- Mr. Rippetoe further reported that the American Society of Hematology's (ASH) event generated \$127,000,000 of economic impact over a nine-day period. This event had a record attendance of 28,000 in person with 4,000 attendees participating virtually and 110 countries represented.

After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (6). No members of the public responded to the request for comment.

7. **Chair's Report (Carlos Cota)** – Chair Cota reported:

- Chair Cota gave closing comments regarding his years of Board service and expressed his pleasure at having served on the Board.
- The SDCCC children's holiday party – "Breakfast with Santa" is scheduled for Saturday, December 16, 2023, from 9:00 – 11:00 a.m. -Ballroom 20. Directors are invited to bring their children.
- The staff party is scheduled for December 16th – Ballroom 20, starting at 6:00 p.m. for cocktails. Dinner is served at 7:00 p.m. and raffle and dancing starts at 8:00 p.m., so wear your dancing shoes, and goes through 11:00 p.m.
- The next Board meeting is tentatively scheduled for January 31, 2024, at Noon and Merry Christmas, Happy Hanukkah, happy holidays, and Happy New Year to everybody.

After Chair Cota submitted his report, he inquired if any member of the public wished to comment on Agenda Item (7). No members of the public responded to the request for comment.

8. **Board Comment** [Govt. Code § 54954.2(a) (2)] – Director Rodriguez-Kennedy requested that staff ensure that the public has access to the Boardroom on Board meeting days. He also inquired about the status of the Board’s strategic planning discussions and encouraged those discussions to resume soon.

Director Rodriguez-Kennedy also asked that staff review contributions of surplus event food to shelters and to assess the Center’s potential to supplement the City’s food contracting efforts. Mr. Rippetoe responded that he has contacted the City regarding this issue and is awaiting a response.

Director VanDiver thanked Chair Cota for his service as Chair for the past year as well as his full six years of Board service.

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

There being no further business, the meeting adjourned at 1:40 p.m.

I, Alyssa Turowski, 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 December 13, 2023, and that said minutes were approved by the Board of Directors on January 31, 2024.

Alyssa Turowski, Secretary

Agenda Item 4.B.1

CFO Report to Board of Directors For the month ending December 31, 2023 (As of January 31, 2024)

Financial Performance:

Revenue: As of December 2023, year-to-date net revenues have surpassed budgetary expectations by \$642K, primarily attributed to the success of the American Society of Hematology “ASH” event held in December. ASH is one of the industry's most sought-after shows, as it attracts high-quality business to the region and occurs during a period when downtown hotels usually experience lower demand. This unique timing contributes to a substantial boost in overall regional impact and city tax revenues.

During December, we hosted (3) Citywide events and one (1) local consumer show.

Expenses: Most expense categories are trailing budget, except for personnel expenses and utilities. It is expected that all categories will remain within their budgetary limits otherwise through year-end.

Some specific areas within expenses to note:

1. Personnel expenses overall are just slightly above budget.
2. General expenses are \$975K below the budget projections. Certain equipment purchases initially planned for acquisition by December were deliberately deferred pending a thorough review in light of forthcoming budgetary updates from the City. Additionally, the anticipated arrival of some equipment slated for 2024 is delayed due to continuing supply chain issues.
3. Repairs and Maintenance are also trailing the budget by \$2M. Half of the variance is due to a few significant projects that require further planning and have been deferred due to forthcoming budgetary constraints from the City. The other half is due to general building repairs taking longer than expected due to busy event activity and scheduling issues surrounding the holidays.
4. Electrical utilities continue to be slightly over budget for the month with the category resulting \$565K over budget. This is mostly due to a higher Community Power commodity rate than budgeted for (consumption is in line with historical trends) as well as the methodology used to spread the budget.
5. Non-operating interest/investment income has outperformed the budget by \$830K. This positive variance can be attributed to the increased returns from rising interest rates in the bond market, which surpass the 10-year historical trend. Additionally, a higher-than-planned cash reserve at the time of budgeting has contributed to this favorable outcome.

Operating results: The expected year-to-date (YTD) operational loss was projected at \$2.6M, however, the actual YTD performance resulted in a gain of \$590K, for a \$3.1M favorable result. Operating income represents all business activities including depreciation of equipment before interest and taxes (SDCC is exempt from tax).

SDCC uses a comprehensive strategy to oversee its business operations, monitoring debt and lease payments, with a focus on capital renewal investments through reserve activity tracking. As of the current year, SDCC has successfully met all required debt service payments and has spent \$1.8 million Year-to-Date (YTD) for capital assets from its reserve fund. A portion of approved capital assets for FY2024, totaling nearly \$1.5 million, will not be completed or received as initially planned within the current fiscal year. This delay is attributed to extended equipment lead times. Consequently, these expenses will be carried over to FY25.

As of December, the unrestricted reserve balance remains stable at approximately \$29 million.

Agenda Item 4.B.1

San Diego Convention Center Corporation
Statement of Net Position
 December 31, 2023

	December 31, 2023	June 30, 2023	Variance	% Change
ASSETS				
Cash and cash equivalents	10,336,369	12,226,115	(1,889,746)	-15%
Investments	23,418,213	22,745,894	672,318	3%
Accounts receivable, net	9,854,895	6,316,905	3,537,990	56%
Prepaid expenses	612,437	1,147,357	(534,920)	-47%
Deposits with others	134,004	135,504	(1,500)	-1%
Inventory	48,891	53,081	(4,190)	-8%
Note receivable	274,556	374,556	(100,000)	-27%
Capital assets, net	33,681,331	33,488,593	192,737	1%
Total Assets	78,360,694	76,488,005	1,872,689	2%
LIABILITIES				
Accounts payable	567,840	1,184,431	(616,591)	-52%
Accrued liabilities and compensated absences	4,011,390	3,400,643	610,747	18%
Accrued I-Bank interest and loan administrative fee	349,577	396,855	(47,278)	-12%
Retention payable	63,788	22,473	41,315	184%
Unearned income	6,210,724	4,240,986	1,969,738	46%
Current portion of long-term debt	579,119	1,384,843	(805,724)	-58%
Long-term portion of unearned income	2,998,349	3,093,182	(94,833)	-3%
Long-term debt	21,722,404	22,021,494	(299,091)	-1%
Total Liabilities	36,503,191	35,744,907	758,284	2%
NET POSITION				
Net investment in capital assets	12,878,578	11,581,027	1,297,552	11%
Unrestricted	28,978,926	29,162,071	(183,146)	-1%
Total net position	41,857,504	40,743,098	1,114,406	3%
Total Liabilities and Net Position	78,360,694	76,488,005	1,872,689	2%

Agenda Item 4.B.1

San Diego Convention Center Corporation - Detailed Statement of Revenues & Expenses

December 31, 2023

	Monthly Amounts			YTD Amounts			Annual	Projected
	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Annual Results
REVENUES								
Building Rent - Net	600,380	514,172	(86,208)	4,374,570	3,605,818	(768,752)	9,624,410	8,255,658
Food & Beverage	840,890	916,730	75,840	7,129,430	7,135,090	5,660	14,834,860	14,340,520
Event Services	560,089	644,165	84,076	2,310,301	2,786,551	476,251	4,321,960	4,798,211
Utilities	976,794	1,484,976	508,182	3,279,255	3,945,615	666,360	6,599,980	7,016,340
Telecommunications	505,904	783,507	277,603	2,779,935	3,092,779	312,844	5,454,420	5,667,264
Audio Visual	84,240	148,716	64,476	732,030	833,749	101,719	1,440,340	1,442,059
Other Ancillaries	53,333	43,493	(9,840)	483,700	332,872	(150,828)	1,043,400	592,572
Other Revenues	625	100	(525)	3,750	2,750	(1,000)	7,500	6,500
TOTAL OPERATING REVENUE	\$ 3,622,255	\$ 4,535,859	\$ 913,604	\$ 21,092,971	\$ 21,735,223	\$ 642,253	\$ 43,326,870	\$ 42,119,123
OPERATING INFLOWS								
City of San Diego Contributions - Marketing	227,888	227,888	0	1,367,325	1,367,325	0	2,734,650	2,734,650
City of San Diego Contributions - Operating Funds	416,667	416,667	0	2,500,000	2,500,002	2	5,000,000	5,000,000
TOTAL OPERATING INFLOWS	\$ 644,554	\$ 644,555	\$ 0	\$ 3,867,325	\$ 3,867,327	\$ 2	\$ 7,734,650	\$ 7,734,652
TOTAL REVENUES & INFLOWS	\$ 4,266,809	\$ 5,180,414	\$ 913,604	\$ 24,960,296	\$ 25,602,550	\$ 642,255	\$ 51,061,520	\$ 49,853,775
EXPENSES								
PERSONNEL EXPENSES								
Salaries & Wages - Full Time	1,412,095	1,362,942	49,153	8,537,576	8,768,272	(230,696)	18,197,198	18,827,894
Salaries & Wages - Part Time	315,851	416,586	(100,735)	2,665,741	2,559,481	106,260	5,570,308	5,464,048
Fringe Benefits	497,752	591,800	(94,048)	3,180,124	3,120,838	59,286	6,565,614	6,756,328
Total: Personnel Expenses	\$ 2,225,698	\$ 2,371,327	\$ (145,629)	\$ 14,383,441	\$ 14,448,590	\$ (65,149)	\$ 30,333,120	\$ 31,048,269
SUPPLIES & SERVICES EXPENSES								
General Expenses	405,287	100,642	304,645	1,845,074	869,721	975,353	2,556,983	1,931,630
Repairs & Maintenance	964,905	248,549	716,356	3,702,805	1,642,732	2,060,073	6,084,882	4,199,809
Utilities	436,180	486,133	(49,953)	3,429,214	3,945,811	(516,597)	5,955,000	6,971,597
Contracted Services	83,102	43,585	39,517	467,418	442,001	25,417	718,840	768,423
Travel & Transportation	8,080	(2,939)	11,019	61,990	50,461	11,529	103,535	92,006
Insurance	59,456	55,004	4,452	354,696	329,257	25,439	763,000	852,561
Telecom Services	6,480	5,151	1,329	45,511	32,824	12,687	92,100	79,413
Sales & Marketing	233,708	228,410	5,298	1,379,208	1,368,763	10,445	2,784,440	2,773,995
Supplies	96,670	15,676	80,993	425,131	224,025	201,106	689,350	688,244
Total: Supplies & Services Expenses	\$ 2,293,868	\$ 1,180,211	\$ 1,113,657	\$ 11,711,047	\$ 8,905,594	\$ 2,805,453	\$ 19,748,130	\$ 18,257,677
DEPRECIATION								
Depreciation	261,518	237,771	23,747	1,462,528	1,377,639	84,889	3,194,806	3,109,917
Amortization	0	46,764	(46,764)	0	280,583	(280,583)	0	560,583
Total: Depreciation & Amortization	\$ 261,518	\$ 284,535	\$ (23,017)	\$ 1,462,528	\$ 1,658,222	\$ (195,694)	\$ 3,194,806	\$ 3,670,500
TOTAL OPERATING EXPENSES	\$ 4,781,084	\$ 3,836,073	\$ 945,010	\$ 27,557,016	\$ 25,012,406	\$ 2,544,610	\$ 53,276,056	\$ 52,976,446
NET OPERATING INCOME/(LOSS)	\$ (514,274)	\$ 1,344,340	\$ 1,858,615	\$ (2,596,720)	\$ 590,144	\$ 3,186,864	\$ (2,214,536)	\$ (3,122,672)
NON-OPERATING								
NON-OPERATING REVENUE								
Interest Income	8,333	269,131	260,798	50,000	878,838	828,838	100,000	1,553,838
Other Income	17,675	19,066	1,391	106,266	107,587	1,321	212,100	213,421
Total: NON-OPERATING REVENUE	\$ 26,008	\$ 288,197	\$ 262,188	\$ 156,266	\$ 986,425	\$ 830,159	\$ 312,100	\$ 1,767,259
NON-OPERATING EXPENSE								
Non-Operating Expense	69,916	75,752	(5,836)	422,228	462,163	(39,935)	841,724	881,659
Total: NON-OPERATING EXPENSE	\$ 69,916	\$ 75,752	\$ (5,836)	\$ 422,228	\$ 462,163	\$ (39,935)	\$ 841,724	\$ 881,659
TOTAL NON-OPERATING REVENUE (EXPENSE)	\$ (43,908)	\$ 212,444	\$ 256,352	\$ (265,962)	\$ 524,262	\$ 790,224	\$ (529,624)	\$ 885,600
CHANGE IN NET POSITION (YTD Income/Loss)	\$ (558,182)	\$ 1,556,785	\$ 2,114,967	\$ (2,862,682)	\$ 1,114,406	\$ 3,977,088	\$ (2,744,160)	\$ (2,237,072)

	Monthly Amounts			YTD Amounts			Annual	Projected
	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Annual Results
OPERATING RESERVE ACTIVITY								
Beginning Operating Reserve:							\$ 24,938,976	\$ 29,162,071
+ Net Operating Revenues/Expenses							(2,744,160)	(2,237,072)
+ Deprec/Amort (does not impact reserves)							3,194,806	3,670,500
- Principal payments: IBank Loan & Lease Payable							(842,880)	(1,384,843)
- Capital Purchases							(13,270,978)	(9,001,513)
YTD NET IMPACT ON RESERVES							\$ (13,663,212)	\$ (8,952,928)
ENDING OPERATING RESERVE							\$ 11,275,764	\$ 20,209,143

Agenda Item 4.B.2

SAN DIEGO CONVENTION CENTER CORPORATION M E M O R A N D U M

TO: Board of Directors

FROM: Will Rodriguez-Kennedy, Budget Chair

DATE: For the Agenda of January 31, 2024

RE: Authorization to Ratify Contract for ERP (Momentum Elite) Software Subscription Renewal

BACKGROUND

Over the past three years, the corporation converted two major system platforms within its financial suite software (Microsoft Business Central) while concurrently upgrading its event management platform (“Momentum Elite” formerly Venue Ops). The Momentum Elite platform is a comprehensive set of tools that allow staff to manage the entire event lifecycle through an integrated suite of solutions from initial planning and booking through event execution and post-event analysis through accounting and reporting. The unified platform offers real-time information on venue space utilization and event details all in one place.

The initial implementation, referred to as Phase I, began in late 2019 and concluded in early 2022 after a 2-year process. Annual subscription fees for 200+ users were contracted as part of the implementation and were funded from operating reserves for each respective year. The initial contract expired on December 31, 2023.

DISCUSSION

Staff continues to leverage the Momentum platform for its venue and event management software solutions. They invest time and resources into unifying this platform with the financial accounting and sales systems. Momentum continues to provide upgrades and enhancements, all seamlessly covered by the annual subscription fees.

The annual software services through Momentum covers:

- Access to venue and management software through subscriptions.
- Access to the application via a single sign-on process.
- An API bundle facilitating seamless information exchange with other software.
- DocuSign integration for contract signature and execution.

Taking into consideration the critical role this software plays in our core operations, and to ensure uninterrupted services, it became imperative to address the contract renewal before the expiration date. This ensured staff could continue to leverage the functionalities that are integral to our daily operations. Staff renewed a 5-year contract based on the following costs:

Fees Summary				
Year	Term Dates	Software Services	Recurring Services	Total
Year 1	1/1/2024 - 12/31/2024	\$104,000.00	\$6,000.00	\$ 110,000.00
Year 2	1/1/2024 - 12/31/2025	\$108,760.00	\$6,240.00	\$ 115,000.00
Year 3	1/1/2024 - 12/31/2026	\$113,510.40	\$6,489.60	\$ 120,000.00
Year 4	1/1/2024 - 12/31/2027	\$118,250.82	\$6,749.18	\$ 125,000.00
Year 5	1/1/2024 - 12/31/2028	\$122,980.85	\$7,019.15	\$ 130,000.00
Total				\$ 600,000.00

STAFF RECOMMENDATION

Authorize ratification of the Momentus software subscription contract with a final cost of \$600,000 over the period January 1, 2024, through December 31, 2028.

_____/s/
Will Rodriguez-Kennedy
Budget Chair

Agenda Item 4.B.3

**SAN DIEGO CONVENTION CENTER CORPORATION
M E M O R A N D U M**

TO: Board of Directors

FROM: Will Rodriguez-Kennedy, Budget Chair

DATE: For the Agenda of January 31, 2024

RE: Authorization to Ratify Design Consulting Contract

BACKGROUND

In 2021, the convention center management agreement between the San Diego Unified Port District (“Port”) and the City of San Diego (“City”) was amended to give control of the rooftop tennis courts and pro shop facility from the Port to the City. Prior to this amendment, the Port maintained a leasehold with the San Diego Marriott Hotel and Marina to provide the tennis courts and pro shop space as an amenity for their guests.

The transition of responsibilities for these areas carried forward to San Diego Convention Center Corporation’s obligations under our operating agreement with the City. The tennis courts and pro shop had not been utilized for an extended period and the tennis courts are anticipated to be removed as part of an upcoming reroofing project. The pro shop space is vacant and available to be repurposed.

DISCUSSION

In late 2022, Staff contracted with Lahaina Architects for the design and engineering of the west kitchen renovation. As part of the scope of this project, the west kitchen would be modernized, reconfigured, and optimized to be a full-service kitchen maximizing usable space. During this endeavor, Staff sought to remove non-essential offices from the operational kitchen space and to relocate those offices elsewhere in the facility.

Separately, Staff budgeted \$500,000 in the FY24 CIP budget for the design and renovation of the vacant pro shop space that is above the west kitchen and accessible by elevator at the entrance of the kitchen. Staff found it advantageous to pursue the evaluation of the vacant pro shop space concurrently with the kickoff of the west kitchen construction phase, which removed multiple office spaces as planned, displacing several food and beverage staff.

In July 2023, Staff issued a contract directly to Costa Azul Contracting Group for \$99,500 to develop a bid package of plans and specifications for the conversion of the vacant pro shop area into office space for future bidding. While the award of the base contract was within Staff’s authority, Staff subsequently authorized additional funds for environmental and egress assessments to finish a comprehensive feasibility review of office space options to prioritize the relocation of the displaced food and beverage staff. This additional work added \$16,704 to the



**SAN DIEGO CONVENTION CENTER/ SHORT TERM SALES
DECEMBER 2023 SALES ACTIVITY REPORT**



CONTACT: **Andy Mikschl**, *Executive Vice President, Sales, San Diego Convention Center*
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 619.525.5282

SHORT TERM BOOKING ACTIVITY

Conventions, Corporate Events, Consumer Shows, Community Events, & Local Meetings

	FY24 DECEMBER 23	FY23 DECEMBER 22	CUMULATIVE FYTD 2024	CUMULATIVE FYTD 2023
DEFINITE	EVENTS	3	20	25
	ATTENDANCE	2,262	148,787	68,014
	ROOM NIGHTS	0	13,007	7,508
	RENTAL REVENUE	\$27,200	\$151,800	\$884,030

FY24 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$1,500,000	\$884,030	60%

San Diego Convention Center Short Term Sales December 2023 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ DEC 2023

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
General Mills, Inc. icw/ UNFI	02/07/24	12	0	0	\$1,200
LSX Induced Proximity Leaders Conference 2024	06/23/24	250	0	0	\$12,600
Bridal Bazaar Fall 2024	09/14/24	2,000	0	0	\$13,400
TOTAL		2,262	0	0	\$27,200

San Diego Convention Center Short Term Sales December 2023 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ FY24 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
IEEE PES Grid Edge 2025	01/19/25	2,500	850	3,125	\$103,500
IWRP Industry Day 2024	06/24/24	300	0	0	\$9,300
The ASU + GSV Air Show 2024	04/12/24	5,000	0	0	\$65,700
X-STEM Workshops San Diego 2024	09/12/24	900	0	0	\$6,000
Brick Fest Live San Diego 2024	08/22/24	8,000	0	0	\$36,200
National Provider Enrollment Conference 2024	08/27/24	975	35	175	\$15,000
Social Media Marketing World 2025	03/29/25	2,500	400	1,200	\$55,800
Navy Gold Coast Small Business Opportunity Conference	08/18/24	2,000	0	0	\$77,800
San Diego International Auto Show 2023	12/29/23	100,000	200	800	\$194,400
West Coast Conference Cheer & Dance 2023	10/29/23	2,500	0	0	\$10,400
AGWest Board Meeting & LAC Orientation	02/07/24	100	350	800	\$6,600
LSX RNA Leaders USA Congress 2024	09/04/24	600	150	300	\$20,790
Sharp Healthcare All-Staff Assembly	11/19/24	12,000	0	0	\$76,250
JOGS San Diego Gem & Jewelry Show	10/28/24	2,000	80	312	\$66,640
The IR Show Winter 2025	01/22/25	750	250	750	\$49,800
San Diego Home Fall Show 2024	08/24/24	5,000	0	0	\$15,400
Proofpoint Sales Kickoff 2024	01/15/24	1,400	1,400	5,545	\$47,250
General Mills, Inc. icw/ UNFI	02/07/24	12	0	0	\$1,200
LSX Induced Proximity Leaders Conference 2024	06/23/24	250	0	0	\$12,600
Bridal Bazaar Fall 2024	09/14/24	2,000	0	0	\$13,400
TOTAL		148,787		13,007	\$884,030



CITYWIDE PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

DEFINITE	FUTURE YR BOOKINGS	DECEMBER 2023	DECEMBER 2022	DECEMBER 2018	CUMULATIVE FY2024	CUMULATIVE FY2023	CUMULATIVE FY2019
	CONVENTIONS	11	16	3	18	28	17
	ATTENDANCE	100,000	166,450	11,000	161,300	268,100	89,650
	ROOM NIGHTS	178,965	211,369	28,184	304,331	307,390	117,775

TENTATIVE	FUTURE YR BOOKINGS	DECEMBER 2023	DECEMBER 2022	DECEMBER 2018	CUMULATIVE FY2024	CUMULATIVE FY2023	CUMULATIVE FY2019
	BOOKINGS	2	6	7	96	48	49
	ATTENDANCE	3,000	29,000	91,800	797,850	377,230	499,750
	ROOM NIGHTS	7,911	47,152	334,626	1,571,881	521,484	978,752

FY19 COMPARISON		CUMULATIVE FY2024	CUMULATIVE FY2023	CUMULATIVE FY2019
	DEFINITE TOTAL ROOM NIGHTS	304,331	307,390	117,775
	VARIANCE COMPARED TO FY2019	+186,556 +158%	+189,615 +161%	
	TENTATIVE TOTAL ROOM NIGHTS	1,571,881	521,484	978,752
VARIANCE COMPARED TO FY2019	+593,129 +60%	-457,268 -46%		

Tentative(s) FY24 Notes:

- Tentative(s) variance to FY19 and FY22 impacted by the following anomalies.
 - ASH (Hematology) tentative for 2031 and 2033: 275,400 room nights.
 - Comic-Con tentative for 2026 & 2027: 130,800 room nights. Behind the historic booking cycle.

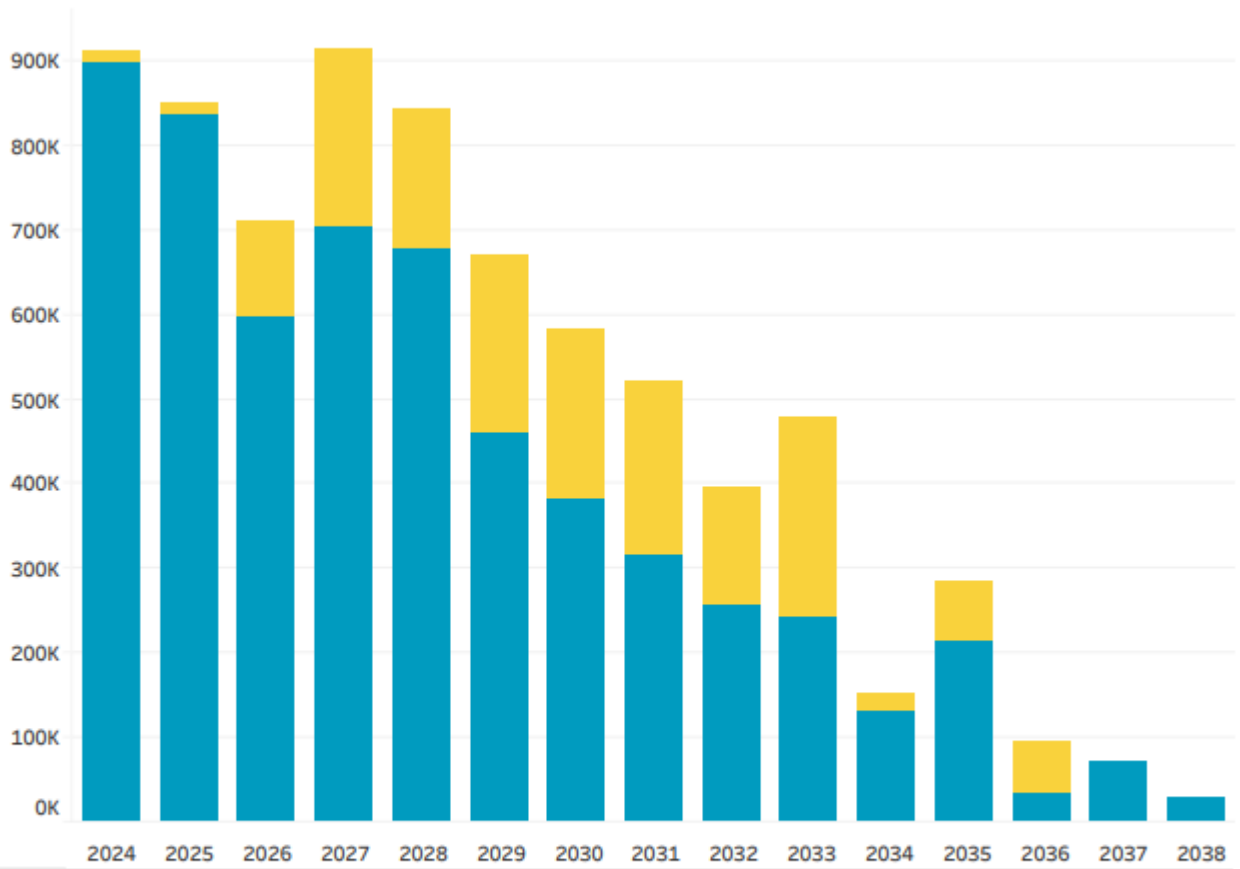
DEFINITE EVENTS BREAKDOWN*Conventions, Trade Shows, Corporate & Incentive Events booked in December 2023*

Account Name	National Sales Director	Event Begin Date	Event End Date	Room Nights	Peak Rooms	Estimated Attendance	SDCCC ID #	SDTA ID #
Competitor Group, Inc.	David Matta	5/29/2026	5/30/2026	9,865	4,000	20,000	2605006	1224510
Avid Center	Kim Borneman	6/15/2029	6/21/2029	11,655	3,500	5,100	2906012	1226097
Confidential	Kim Borneman	8/20/2028	8/22/2028	20,374	5,150	10,000	2829-65-65-5025	1232499
Avid Center	Kim Borneman	7/29/2029	7/31/2029	11,655	3,500	4,700	2908007	1225463
Academy of Osseointegration	Ashley Jackson	3/8/2027	3/14/2027	3,465	1,000	1,200	2829-65-65-12002	1232355
Confidential	Kim Borneman	6/10/2030	6/13/2030	52,454	11,000	17,000	3006007	1226037
AFCEA International	Nancy Rosenbaum	1/8/2031	1/16/2031	8,120	2,000	9,300	2829-65-65-13986	1232539
AFCEA International	Nancy Rosenbaum	1/21/2032	1/29/2032	8,120	2,000	9,300	2829-65-65-12389	1232540
Confidential	David Matta	1/25/2026	1/28/2026	32,837	7,500	11,000	2829-65-65-13858	1232876
American Society for Aesthetic Plastic Surgery	Kim Borneman	4/5/2029	4/7/2029	8,100	2,000	4,000	2829-65-65-14307	1233035
American Society of Human Genetics	Nancy Rosenbaum	10/10/2032	10/17/2032	12,320	2,800	8,400	2829-65-65-15362	1233162
Total				178,965	4041 AVG	100,000		

ROOM NIGHT SUMMARY

Figures based on calendar year of event begin date

Lead
Definite



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Definite Bookings	49	45	37	31	26	22	13	14	10	8	3	6	1	3	1
Definite Rooms Nights	897K	836K	598K	703K	679K	460K	383K	317K	256K	244K	132K	215K	36K	71K	30K
Tentative Rooms Otb	13K	14K	112K	211K	165K	209K	201K	203K	139K	236K	20K	69K	59K		

NOTE:

- 2024 Definite Total Room Night Changes: -16,674 in definite group room block adjustments primarily attributed to American Library Association decreasing their peak nights.
- 2025 Definite Total Room Night Changes: No change
- 2026 Definite Total Room Night Changes: +42,702 due to new definite(s).
- 2027 Definite Total Room Night Changes: +3,467 due to new definite.
- 2028 Definite Total Room Night Changes: +20,374 due to new definite.
- 2029 Definite Total Room Night Changes: +31,410 due to new definite(s).
- 2030 Definite Total Room Night Changes: +52,454 due to new definite.
- 2031 Definite Total Room Night Changes: +8,120 due to new definite.
- 2032 Definite Total Room Night Changes: +20,440 due to new definite(s).