

MINUTES



Meeting: Board of Directors
Meeting Date: April 19, 2018 ▪ 12:00 pm
Prepared By: Sherlynn Clifford

The original agenda was prepared and posted in compliance with the provisions of the Ralph M. Brown Act noting that board action may occur on any identified agenda item.

I. Call to Order

A meeting of the Board of Directors of Visit Sacramento was held at the Kimpton Sawyer Hotel in Sacramento, CA. Board Chair Doug Warren called the meeting to order at 12:10 p.m. It was established that a quorum was present, and the following attendance was recorded:

PRESENT

Directors

Christine Calvin

Joe Chiodo

Henry de Vere White

Phil Garcia

David Huber

Brent Larkin

Brian Larson, *Past Board Chair*

Shelly Moranville, *2nd Vice Chair*

Josh Nelson

Rick Pickering

Sami Qureshi

Dennis Raymond, *Treasurer*

John Rinehart

Alison Sandman

Scott Vandenberg, *1st Vice Chair*

Doug Warren, *Board Chair*

Steve Young

Industry Advisors, or Their Designees

Mark Davis, *Sacramento County Airports*

Kim Nava, *County of Sacramento*

Matt Voreyer, *Sacramento Convention Center*

Guest(s)

Daniel Conway, *Cultivate Truth Enterprises*

Jose Hermocillo, *Hermocillo-Azevedo Communic's*

John Lambeth, *Civitas*

Emily Baime Michaels, *Midtown Association*

Darrell Steinberg, *Mayor-City of Sacramento*

Louis Stewart, *City of Sacramento*

Scott Whyte, *City of Sacramento*

Visit Sacramento Staff

Mike Testa, *President & CEO*

John Reyes, *Chief Operating Officer*

Sonya Bradley, *Chief Marketing Officer*

Sarah Atilano, *V.P. Sales & Business Development*

Kari Miskit, *Director of Public Relations*

Mike Sophia, *Director-Sacramento Sports Commission*

Nick Leonti, *Director of Tourism*

Verna Sulpizio, *Director of Strategic Partnerships*

Dan Santucci, *Director of Accounting*

Sherlynn Clifford, *Executive Assist. (Recording Secty)*

ABSENT

Directors and Industry Advisors

Michael Ault, *Downtown Sacramento Partnership*

Howard Chan, *City of Sacramento*

Kathleen Gilbey, *Secretary*

Nav Gill, *County of Sacramento*

Jonathan Glus, *City of Sacramento*

Patrick Mulvaney

Lance Richard

Liz Tavernese

Jody Ulich, *City of Sacramento*

PRESENTATION: Mayor Darrell Steinberg

Mayor Darrell Steinberg thanked the Visit Sacramento team for everything they are doing for the City, especially regarding assistance with the convention center expansion and communication with the hotels regarding additional funding for a second ballroom. Steinberg said that while it's been a difficult path, it's led to a great conclusion for all parties involved. Steinberg said he enjoys working with Visit Sacramento and many other business partnerships in the community and has learned in the past year as new Mayor about the upside of doing things right. Steinberg said that the pursuit of creating "Destination Sacramento" is a great umbrella that will help Sacramento continue to grow, while engaging organization from all industries in the process. Steinberg said the goal of Destination Sacramento is to ensure the use of all public assets are maximized and fully occupied.

Regarding Sacramento homeless issue, Steinberg said he know this continues to be a major concern of downtown businesses and the entire city. Steinberg said the City is working hard to create new programs and is looking at the scale and volume of the issue for the best outcome. For that reason, Steinberg said the City has secured funding and will be launching on May 1, 2018 a "whole person care program" that will impact over 1,000 homeless in the next year. Steinberg said it will be a major financial challenge but hopes the community will recognize the impact to help house the homeless.

Steinberg then said he will soon be making a proposal to City Council about increasing the one-half sales tax from Measure U that saved basic public services. This tax will expire in 2019 so he is looking to increase the percentage to help cover costs for economic development which he believes is lacking and will help the City accomplish building a vision by doing more than one thing at a time. One example of where the additional funds would be spent is improving Sacramento's riverfront. Steinberg added that by having these additional funds for this purpose, it would prevent the City from having to "pull rabbits out of a hat" for financial funding, as well as be another resource beyond Transient Occupancy Tax (TOT).

Board Comments and Questions

Joe Chiodo said he was very pleased to learn that the City decided to continue operating the Convention Center. Mayor Steinberg agreed and added the City is lucky to have Matt Voreyer as its general manager. Scott VandenBerg said he was a member of the City's Steering Committee for the convention center expansion and thanked the Mayor and city staff for their work and leadership regarding the expansion and renovation.

Sami Qureshi asked about building more business in the region. Steinberg said one example is Centene and that the city has been working with them for a long time. Steinberg said the city developed a policy to incentivize major employers and that incentive, not paid for by tax-generated funds, was used with Centene to help provide 9,000 jobs to the region. Steinberg said he hopes to use this same model to bring other businesses like technology, business and the hospitality industry, to the region by using funds generated from Measure U should the sales tax increase percentage be approved.

Henry de Vere White asked about the housing shortage, stating more assistance is needed regarding fee requirements. Steinberg said City Council will be discussing this issue and is looking at developing a policy for transportation fees that will not affect housing incentives.

Steinberg said City Council is working with legislators and SEIU's rent control on a compromise that would prevent a housing boom, especially for older tenants as he wants to make sure the entire program works for both tenants and the homeless.

Mike Testa said he appreciates the Mayor championing Visit Sacramento's business. Steinberg said his job is to "light sparks and keep moving progress forward."

II. Public Comments – Matters Not on the Agenda

Board chair Doug Warren called for public comment on items not listed on the agenda; there were no matters presented.

III. Approval of Board Meeting Minutes: February 15, 2018

There being no changes to the February 15, 2018 minutes, *Alison Sandman motioned to approve the minutes as presented; Sami Qureshi seconded. [Vote: Unanimous]*

IV. Chair's Report

Warren thanked Mayor Steinberg for attending the meeting and updating the board on various issues. Introductions were then made for those in attendance.

A. Metro Chamber's Cap-to-Cap

Warren said he and Mike Testa just returned from the Sacramento Metro Chamber's Cap-to-Cap trip which was attended by influential Sacramento leaders and that time spent with this group is invaluable for building professional relationships. Warren said Testa participated on an events panel discussion that included Jeff Moseley, Louisville's director of economic growth, and Erica Taylor, Golden 1 Credit Union. Warren said it was clear from the discussions that events help grow revenue for a community. Warren concluded by saying that because this annual trip is important, he would like to attend in future years.

B. CEO Review

Warren said Mike Testa's CEO six-month review was completed last week and that the review was focused on Testa's business plan that he presented during the interview process. Testa was given a score of 93 out of 100 at his review.

V. President's Report

Testa then introduced guest John Lambeth of Civitas. Lambeth has been instrumental in writing most of the BIDs in the state and is currently working with Visit Sacramento on the Sacramento Tourism Infrastructure District (STID). Testa also recognized board member Brent Larkin and thanked him for hosting today's meeting. Lastly, Testa introduced Daniel Conway, former chief of staff for Mayor Kevin Johnson, now working in the cannabis industry and with Visit Sacramento on future cannabis-focused convention business.

A. Sacramento Tourism Infrastructure District (STID)

John Lambeth said Civitas and the Visit Sacramento team were working on the STID which will provide funding to build a second ballroom during phase one of the convention center expansion/renovation.

Lambeth said the BID law changed significantly in 2010 and that a few lawsuits had been filed, though four of the six cases were denied and the other two in the appeals process are expected to win. Lambeth said his firm focuses on making a BID document as defensible as possible, and for the STID, a study was included. Petitions are scheduled to go in the mail to hotels and short-term rentals tomorrow, and are due to the City by May 2.

Christine Calvin asked about the boundaries of the STID. Lambeth said it covers the same area as the Sacramento Tourism Marketing District (STMD), except for a few hotel properties located furthest away from downtown. Testa and John Reyes said this change helped make the Management District Plan (MDP) stronger.

Mark Davis asked how the Petition is passed. Lambeth said receipt of the signed Petitions needs to be 50% plus 1 of the total revenue of all businesses listed in the MDP. Brian Larson said staff would like the results to be 70+%. Testa added Reyes is taking the lead on this project. Scott Vandenberg asked if the Petition is being mailed to the property address; the answer was yes.

Lambeth concluded by saying the STID process is the collective effort of the Sacramento Hotel Association, STMD and Visit Sacramento. Lambeth said that if a second ballroom is not built, the convention center would essentially not be expanded, and would negatively impact Visit Sacramento's future convention business with clients going elsewhere. Thus, it's important for the STID to be approved so a second ballroom can be completed in phase one.

B. Convention Center Expansion Update

Sarah Atilano said renderings should be available in the next few weeks, and City Council is scheduled to approve in late May or early June.

C. Convention Center Privatization

Atilano said after the City completed their due diligence on whether to privatize the convention center, they decided to keep operations inhouse. Atilano then expressed her thanks that Matt Voreyer and his team would continue to operate the convention center.

D. Aftershock Survey

Testa distributed a document regarding the event economic impact study highlights of Aftershock 2017, adding the full report would be distributed in the next few weeks. Testa said that he is working on obtaining statistics to help advocate for more programs and events. Testa said that after attending Cap-to-Cap, there is a huge opportunity to generate hotel rooms after completion of the convention center expansion. This would include adding more events like Aftershock, which could triple the economic impact.

E. NYC Media Calls

Testa said he and Kari Miskit are headed to New York next week for media calls. Miskit will be meeting with her media connections on a deskside tour, talking about Sacramento and encouraging her contacts to write more about visiting Sacramento. Miskit said the past couple of trips have proved to be very successful. Testa said a few representatives from these organizations attended the Tower Bridge Dinner in 2017.

F. Pension Plan Amendment Resolution

Testa asked the board to approve a Resolution amending the Pension Plan which would change the Money Purchase contribution method to a class allocation per section D13 of the adoption agreement.

Shelly Moranville motioned to approve the Pension Plan Amendment Resolution as written; Scott Vandenberg seconded. [Vote: Unanimous]

G. Partner Marketing Update

Testa said this department had not been staffed for over a year but the leadership team had been reviewing next steps to ensure the right person was selected. Testa said he was happy to announce that Verna Sulpizio was recently hired. Sulpizio started April 2 and formerly worked for Civitas. Sulpizio said she has lived in Sacramento for most of her life and is excited in her new position working alongside great staff. Sulpizio said she is looking forward to engaging with Visit Sacramento's partners and getting to know the board.

H. Tourism Update

Nick Leonti said the tourism department has been busy, adding the team is working with former director Terry Selk, now with Yosemite Mariposa County Tourism Bureau, on an event next year that includes attendees from China. The department is also doing site visits with a beer group, and preparing for IPW in May.

I. Sports Commission Update

Mike Sophia said the department is getting ready for the overall finish of the Amgen Tour in May and that invitations for the VIP are were recently emailed. The week after Amgen will be the NCAA Division I Track and Field Preliminaries at Sacramento State University, which will bring 1,800 athletes to Sacramento on May 24-26.

VI. Committee Reports

A. Finance

Dennis Raymond shared the following regarding the March 2018 financials, adding that Visit Sacramento is in its best positive cash-flow position in four years.

- The organization is in an overall positive cash position
- STMD
 - * City: 8.0% ahead of budget (\$351,000)
 - * County: Current with payments and 18.4% ahead of budget (\$91,000)
- Overall year-to-date net income is ahead of budget, due to:
 - * Reprioritized budget
 - * Increased STMD collections
 - * Expense timing versus budget
 - * Two unfilled staff positions (Director of Sales and Director of Partner Marketing)
- Upcoming large sporting events critical to maintaining profitability through the end of the fiscal year are:
 - * Amgen Tour of California: May 2018
 - * NCAA West Regional Track & Field Championships: May 2018

VII. Department Reports

The February and March 2018 department reports were e-mailed to the board for their review prior to the meeting.

VIII. Calendar of Events

Warren mentioned the calendar of events as listed on the agenda.

IX. New Business

A. Cal Expo

Rick Pickering shared that Cal Expo has recently agreed to contract terms for hosting the Almond Board in 2018. In addition, the first recreational cannabis event is scheduled for May 4-5, as long as it's approved by city. About 20,000 are expected to attend and the event includes music by Lauren Hill, Lil Wayne, and others. Several partner hotels are also listed on their website for overnight stays. Lastly, Pickering said the Farm to Fork exhibit is currently on display and will be going to L.A. County.

B. Sacramento State University

Phil Garcia reported the University's department of parks and recreation recently started a certificate program in tourism. More details will be shared once the program is further developed.

C. Sacramento Airport

Mark Davis reported Southwest Airlines started non-stop service to St. Louis and will add Orlando to their schedule next month. Air Canada will also be starting non-stop flights in May.

X. Adjournment

Board chair Doug Warren adjourned the meeting at 1:23 p.m.

Respectfully submitted,



Sherlynn Clifford
Executive Assistant
(Recording Secretary)



Mike Testa
President & CEO