



FY 2023 PERFORMANCE REPORT

California Connections Speaker
Series: Case Study on Sports
Tourism

January 24, 2024



About the SDTMD



The SDTMD, a non-profit, mutual benefit corporation, focuses on increasing and improving lodging room night consumption in the City of San Diego to support tourism growth and development in the region. The SDTMD does this by allocating funding (the 2% assessment on hotel stays) to stimulate lodging room demand in the City.

- Renewed effective January 1, 2013
- Modified effective September 1, 2016
- Elimination of lodging businesses/assessment <70 rooms
 - No separate categories of benefit or assessment
 - Updated Activities and Funding Guidelines
- New 10 Year Operating Agreement effective July 1, 2021

Tourism Environment FY23

FY23 Recap

- Overall, economic and financial uncertainty remained high
- Business and convention activity returned, driving ADR higher as leisure demand stabilized
- Long-haul domestic travel returned, lengthening stays and increasing visitor spending
- Began with historically high inflation (7.3%); concluded at a rate of ~4.7% (still nearly 2% higher than the U.S. average)

Impact FY23

30.5M Visitors
(+9% from FY22)

\$14.2B in Visitor Spending
(+30% from FY22)

\$304M in TOT Collections (+15%
from FY22)



Expected to outperform FY23 in nearly all sectors



Recession fears subsiding, inflation will continue cooling and inflation-adjusted incomes improving

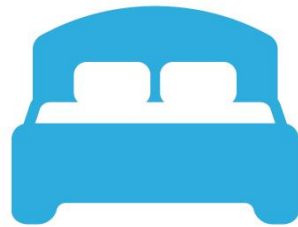


Post-pandemic trend of travel for personal well-being will persist – good news for San Diego

San Diego's Tourism Recovery Explained



Fewer Visitors



Staying Longer



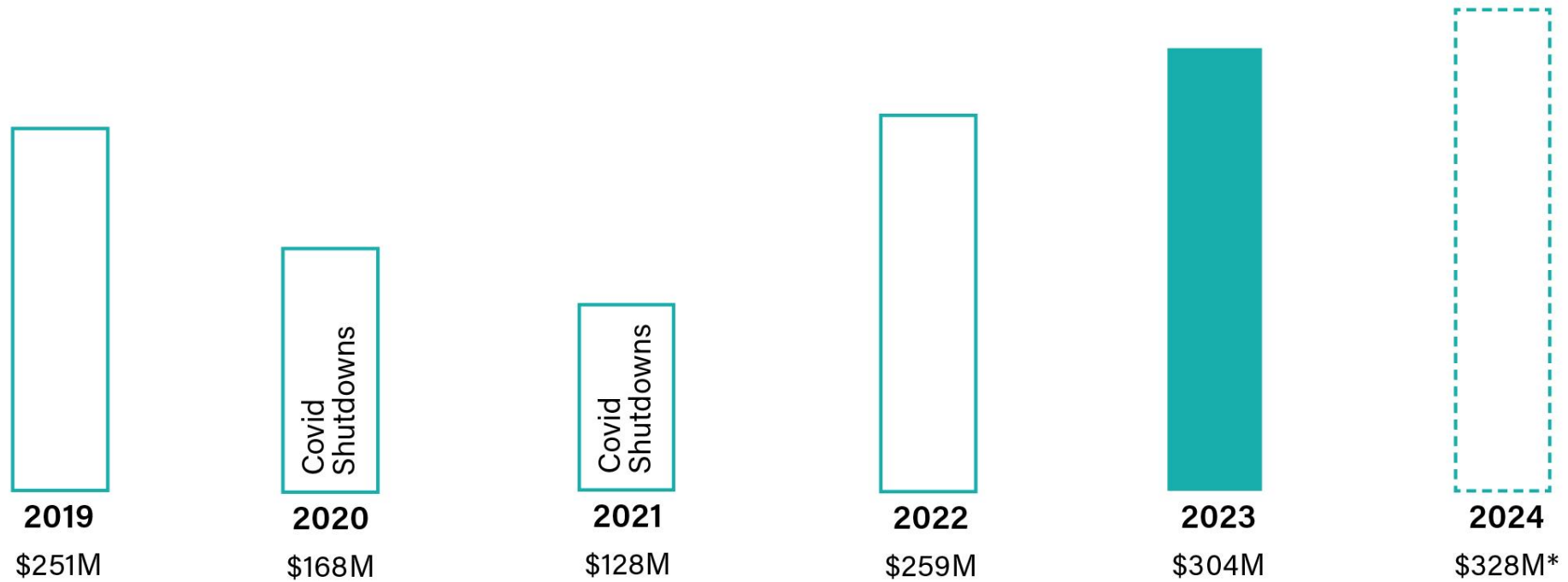
Spending More



Elevated Hotel ADR

*2023 vs. 2019

Annual TOT Collections FY City of San Diego



*Projected, per city budget

Tourism Jobs

214,000*

people directly and indirectly
employed by tourism

*2022 calendar year, San Diego County



Funding Process



Call for applications:
Fall



Application
workshops: Fall



Application deadline:
November



Presentations to the
Board: January/
February

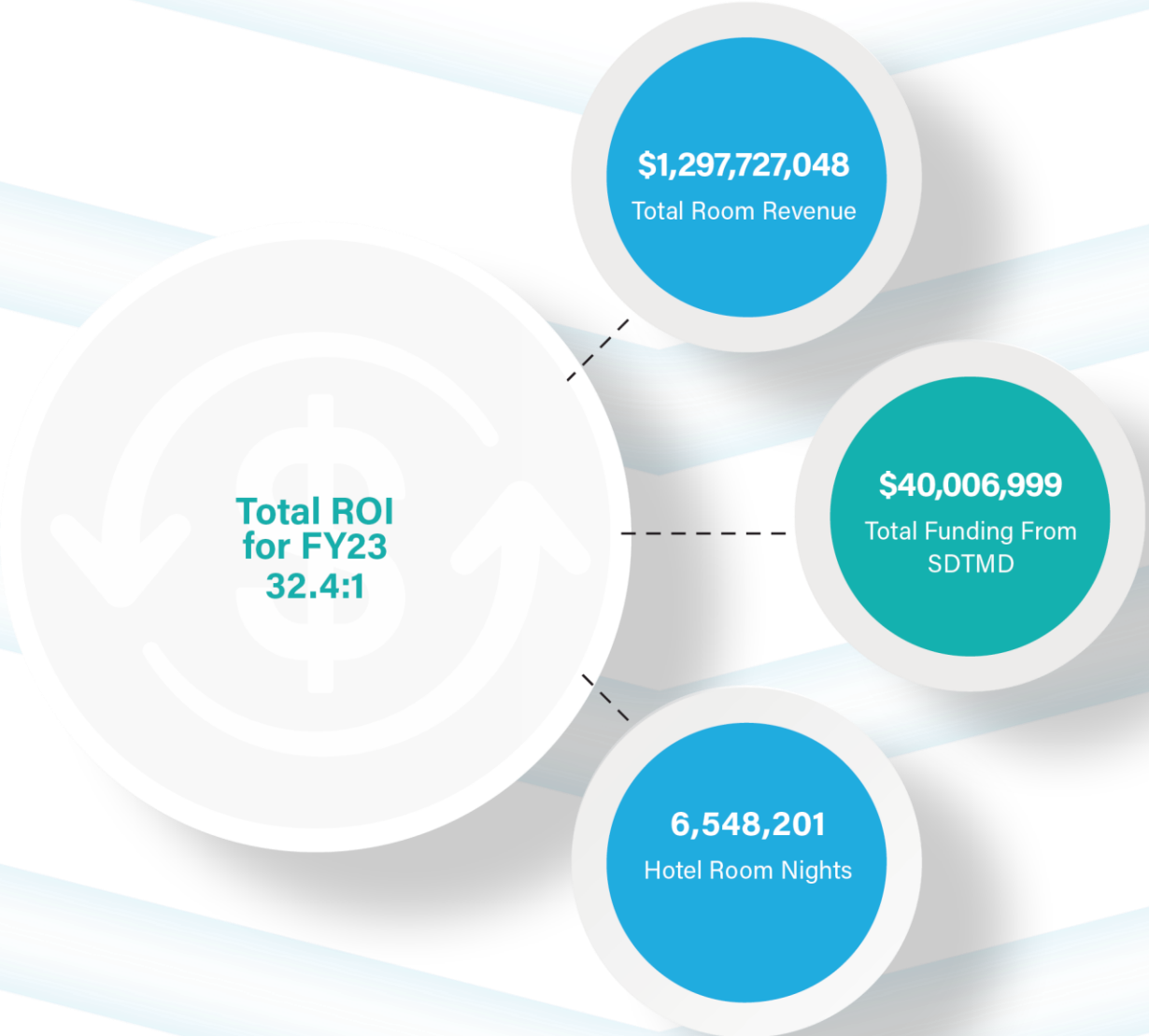


Rankings &
recommended
allocations: March



Budget presentations
to Council Committee/
City Council: May/June

FY 2023 ROI



Contractor Funding FY23

FY 2023 Contractors

San Diego Tourism Authority	\$37,418,777
Sports San Diego	\$901,550
San Diego Diplomacy Council	\$35,152
California State Games: Summer	\$100,000
California State Games: Winter	\$60,000
Billie Jean King Girls National Tennis Championship	\$50,000
San Diego Bayfair	\$95,000
San Diego Tennis Open	\$74,000
San Diego Bay Wine + Food Festival	\$62,178
Wonderfront Festival	\$250,000
U.S. Squash Gold Tournament	\$30,000
San Diego Crew Classic	\$125,500
U.S. Police & Fire Championships	\$61,792
World Lacrosse Championship	\$130,000
Concours d'Elegance	\$74,500
San Diego Holiday Bowl	\$435,000
EcoTrek/Zero Emissions Summit	\$103,550*
Total:	\$40,006,999

*Event canceled

Events defunded due to cancellation:

Legit Rare Football –
All American

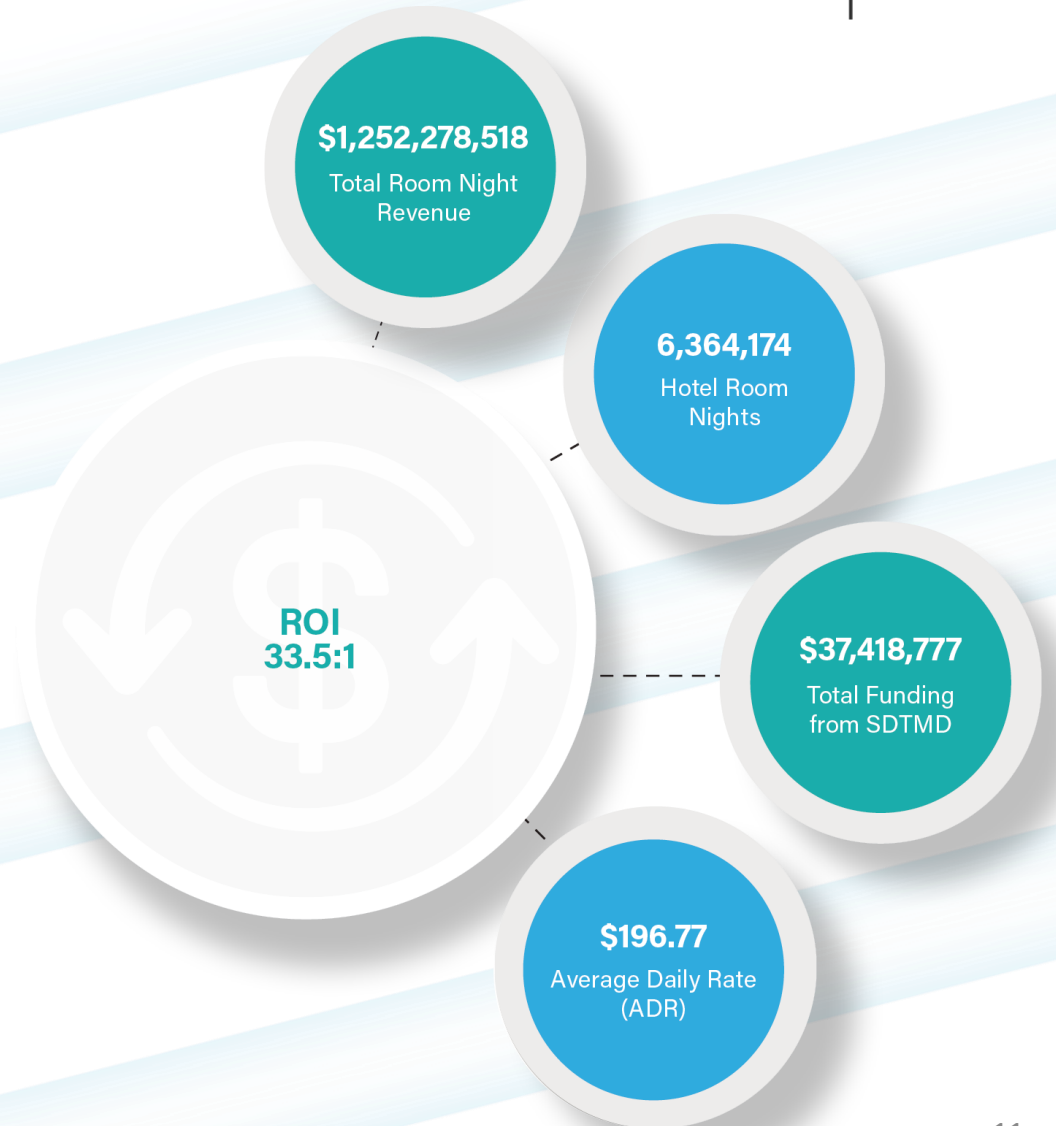
Old Town Lucha Libre

Surf College Cup

Surf Cup Challenge



- The main objective of SDTA is to promote and market San Diego as a preferred vacation and meeting destination for leisure and business travelers from around the world.
- **FY23 Initiatives:**
 - “Happy and You Know It” Brand Campaign
 - New Group Meetings & Conventions Campaign, “Meet America’s Brightest City”
 - Always-On Content & Content Creator Storytelling
 - Los Angeles Marketing Initiative – “Hey Neighbor”
 - First-of-its-Kind Tripadvisor Premium Partnership
 - Relunched International Programs

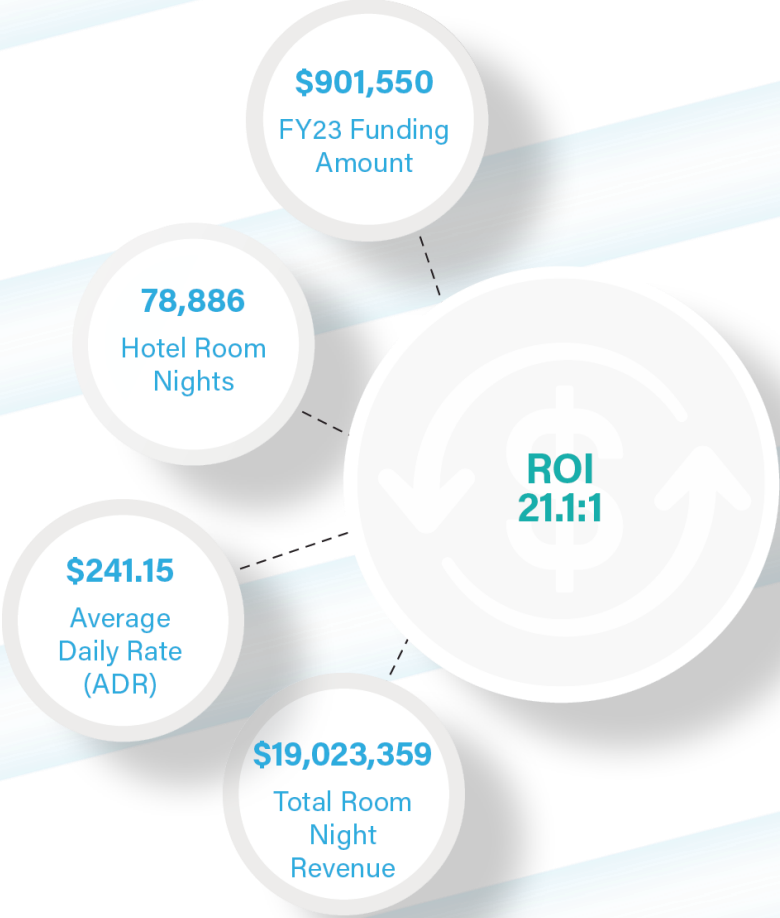




Sports San Diego

Ongoing

Sports San Diego launched in January 2022 to serve as the primary organization responsible for marketing San Diego as a sports destination. The organization’s goal is to drive visitor demand through recruiting, supporting and hosting world-class sports events. Sports San Diego is strategically aligned with the San Diego Bowl Game Association, also known as the Holiday Bowl, as the region’s longest standing annual tourism-driving sports event.





Questions?