

MINUTES

August 4, 2009

San Diego Convention Center

6-8 p.m.

Present:

Co-chairs: Stephen Cushman, Cheryl Kendrick

Task Force Members: Pete Garcia, Lorena Gonzalez, Bob Nelson, Vincent Mudd, Lani Lutar, Fred Maas, Mike McDowell, Richard Bartell, Mark Steele, Bill Sauls, Susie Baumann

Absent:

Task Force Members: Patrick Duffy, Bill Evans, Diane Takvorian, Gordon Boerner

MCTF Staff Present: Cynthia Olmstead

1. **Call to Order:** 6:03 p.m., Co-chair Cushman

2. **Non-agenda public comment:**

- Angelika Villagrana, San Diego Regional Chamber of Commerce: support of expansion

3. **Presentation**

Lani Lutar, San Diego County Taxpayers Association/ Task force member

- Price Elasticity of Demand
 1. Review of price elasticity of demand
 - How price impacts demand
 2. Summary of studies on hotel room taxes
 - In general demand for lodging is relatively inelastic in urban hotels and nature of inelasticity is reflected in the consumer's total cost of travel
 3. Discussion of current San Diego taxes
 - Based on National Business Travel Association (NBTA) report
 - Lodging tax, rental car tax and meal tax charts
 4. Analysis of comparative financing mechanisms for convention center expansion
 - Proposed citywide TOT or TMD, proposed rental car surcharge, proposed meal tax presented in graphs
 - SDCTA hypothetical funding scenario presented
 5. Analysis of comparative financing mechanisms for convention center expansions

- Graphs on projected costs for expansions, convention centers with specified tax revenue to fund expansions, source of funding for convention center expansions

4. Action Item: Approval of Minutes from July 21, 2009

- Approval by all Task Force members present at July 21 meeting

5. Discussion

- Change Attachment A language to read: ***“Commensurate with appreciation in leasehold values resulting from Convention Center expansion”*** after “Contribution of land and other concessions from Unified Port of San Diego.”
 - Opposition by CCDC to change of Attachment A
 - Suggestion to approach County of San Diego for revenue source
- Motion to delete hotel as possible funding source in Attachment A.
 - Motion approved: Hotel will be deleted as possible funding source.
- Add language in Attachment A to read: ***“Financial investment by Centre City Development Corp. and any other public, private or other governmental agencies commensurate with projected increase in tax increment resulting from Convention Center expansion.”***
- Address Possible Revenue Sources spreadsheet, a compilation of numerous funding sources.
 - Motion to add footnote to spreadsheet, reading: **“The task force makes no representations as for the accuracy of these revenue assumptions but has presented them for illustrative purpose based on the testimony presented to the task force.”**
 - Motion approved
 - Motion to add footnote: “The policy question of whether local government should finance a hotel has not been addressed by this group,” and identify possible funding sources for retail to \$0-4 M and hotel to \$0-9M.
 - Motion defeated
 - Motion to remove the dollar amount on a hotel of possible funding sources, to reflect \$0 and include footnote reading: **“This task force has not determined whether or not construction of a hotel is essential for the success of the expanded convention center.”**
 - Motion approved
 - Suggestion to including amendment to Attachment A in the document, changes should mirror each other.



- (Referencing handout) Motion to change language in draft document from: "Is it the view of the Task Force that within the proposed design, the issues of public access, resource conservation and waterfront enhancement (are) addressed?" to answer: **"The role of the Task Force has not been to review design and planning issues, however brief presentations have been made to illustrate site capacity and potential massing of Phase 3 which have identified some overall design subjects of concern. Recognizing that the impact of Phase 3 on the public realm surrounding the Convention Center is important to the Citizens of San Diego and influences their City's relationship to the bay; It is the view of the Task Force, that in order to respect and improve public access and environmental conditions at the waterfront, urban design, sustainability and environmental guidelines should be adopted for the design of Phase 3."**
 - Motion approved

Adjournment: Cushman, 7:47 p.m.