One of America’s Most Creative Cities

— THE DAILY BEAST
LIVING OUR VALUES

As the world continued to grapple with an unprecedented pandemic, the San Diego Tourism Authority (SDTA) focused on its mission, vision and values to best position the region for recovery. The SDTA team leaned into the constant state of change, finding ways to innovate, collaborate and lead all while delivering results. What motivated the team through all the ups and downs of the past year was the knowledge that our efforts were central to getting our colleagues back to work and our economy back on track.

With meetings and conventions prohibited and leisure travel subject to repeated closures throughout FY 2021, the SDTA developed new and different ways to market the destination, strategically investing when appropriate while continuing to connect and serve customers, members, and stakeholders.

From advocacy efforts to increased communication and education to food drives for hospitality workers, the SDTA also strived to give back to the community.

By working together, we were able to weather the most severe crisis our sector has ever seen.

As we look to the future, the SDTA will continue to find new ways to rebuild our tourism economy to ensure that it is more resilient, sustainable, equitable and inclusive for our residents and our visitors.

MISSION
To drive visitor demand to economically benefit the San Diego region.

VISION
Leading San Diego to become the most desirable destination.

FY 2021 HIGHLIGHT
DELIVERING ROI*

$28 to $1

*Based on lodging revenue generated for the City of San Diego Tourism Marketing District, July 2020 – June 2021
Our industry is founded on innovation—from continually improving the ways we serve visitors to creating new experiences and products that will keep them coming back for more. The pandemic only heightened the need for the SDTA to rethink its program of work and come up with different means and methods for redeploying resources.

**ADVERTISING**

Nimble was the name of the game for the SDTA’s advertising program throughout FY 2021. The Brand team in partnership with The Shipyard, SDTA’s advertising agency, developed inventive campaigns all while being able to respond quickly and strategically to changing market conditions. The SDTA began marketing on July 6, 2020—for sooner than many other destinations because it had the financial wherewithal others did not thanks to the support of the San Diego Tourism Marketing District and its reserves. That investment helped drive demand during the fall of 2020 before California clamped down on travel on Dec. 6 due to rising COVID-19 cases. When the State unexpectedly re-opened on Jan. 25, 2021, the SDTA re-launched its marketing program within a week. The ability to move swiftly boosted San Diego’s performance, helping the destination become one of the top performers in the country starting in late May of 2021 and laying the foundation for a more robust recovery going forward.

**HAPPINESS IS CALLING YOU BACK**

As consumer travel sentiment grew more positive, short weekend getaways and road trips drove demand with travelers choosing destinations that were nearby, uncrowded and offered plenty of outdoor space and activities. San Diego’s “Happiness is Calling You Back” campaign invited visitors from California and Arizona, back to San Diego, reinforcing our welcoming, laid-back attitude while encouraging a culture of safe and responsible travel. The program included brand awareness advertising mixed with storytelling content to drive travel intent as well as calls to action. The cost of this recovery advertising was $13.3 million, and it ran through FY2021, delivering 1.04 billion impressions.

**STAY DIEGO**

The “Stay Diego” campaign targeted locals to encourage them to staycation before they vacationed in support of the local tourism community. The campaign first ran July through September 2020 and then relaunched during the spring of 2021, inviting San Diegans to book a stay, dine and shop local to help stimulate the local economy. As part of the campaign, the SDTA produced a series of downloadable, ready-to-use partner assets to encourage businesses to amplify the local marketing initiative. The total campaign included full-page print ads, local broadcast media partnerships, traffic and weather radio, digital advertising and promotional “Win A Trip” sweepstakes and delivered 47.7 million total impressions.

**WEEKYAYS**

As part of SDTA’s recovery advertising program, the “Yay Weekyays” campaign aimed to build awareness of midweek travel and drive consideration and booking for Sunday through Wednesday hotel stays. Because here, the weekdays bring the same good vibes along with lower room rates, outdoor activities when guests need a break and a quiet, scenic space to work or study remote. The digital campaign used display, streaming audio, social and online travel agency advertising in California, Phoenix and Tucson to promote midweek travel.

**BLISS BREAKS**

In collaboration with SDTA members, six new Bliss Break episodes were produced in FY 2021 to represent San Diego’s attractions, culinary and outdoor pillars. The Bliss Break content videos serve as a brand touchpoint, staying true to what differentiates San Diego and drives travel desire—our sunny outlook and good vibes. The 15-second video assets run in our Always-On Search & Content Distribution program, giving consumers a break from the chaos and in-your-face content that typically rules social media feeds.
PUBLIC RELATIONS

Typically the San Diego Public Relations team works with journalists and media outlets from around the world to tell San Diego’s unique and authentic story to entice would-be visitors to travel here. With international and domestic travel restricted, media outreach and hosting almost completely ceased throughout FY 2021. Instead, the Public Relations team redirected its efforts to create compelling content that helped drive visitation to SanDiego.org and that was featured on its social media channels including some of SanDiego.org’s most popular features such as 7 San Diego Lakes and Reservoirs to Escape the City Life, Supporting Black-Owned San Diego Businesses, and 7 Fun and Healthy Activities for Social Distancing Outdoors in San Diego.

WEB & INTERACTIVE

Digital marketing created, published and promoted content across channels positioning San Diego as the nation’s safest travel destination. Our content highlighted outdoor dining and recreation, wellness, diverse activities, and world-class attractions. Social, email and web efforts targeted drive markets heavily. Audience engagement was strong across platforms, particularly Instagram, where one of our campaigns was featured in a playbook for DMOs to welcome the world back to their doorstep.

INTERNATIONAL TRADE DEVELOPMENT

Due to the restrictions on inbound international travel to the United States, the Tourism Development team refocused on more domestic opportunities. Collaborating with such clients as Costco Travel and Getaway Today, the team was able to help drive domestic leisure travelers to the region. With traditional methods of engagement with the travel trade constricted by COVID-19, the team launched a revamped virtual Destination Specialist program that provided an additional four layers of education to the worldwide travel trade. Incorporating imagery and video content, this new version of the San Diego Destination Specialist program provided agents interested in selling the destination more resources to convince their clients to lengthen their stays.

30 MEMBER REFERRALS
The SDTA has always known that our industry is stronger when we work together and that was especially true as we partnered with Members and industry partners to navigate the negative effects of the ongoing pandemic.

From rebooking conventions and meetings to assisting hotel sales staff with would-be clients to working with Members to keep them engaged and informed, the SDTA team made collaboration central to all its efforts in FY 2021.

HOTEL MEETINGS SALES & SERVICES

With hotel meetings and events prohibited in California during FY 2021, the Hotel Sales team devoted itself to serving as a resource for potential and current meeting planners, answering questions about health guidelines and helping with rebookings. Those efforts were especially important as many hotels had furloughed their sales teams and so the SDTA’s National Sales Directors stepped up to fill the gap between our partners and planners to assist with inquiries, bookings and rebookings. With travel restrictions limiting the ability for planners to do traditional site visits, the SDTA developed a customized virtual site program, partnering with hotels and providing guidance on how the different properties could create their own virtual site programs.

To ensure San Diego stayed top of mind with meeting planners around the country, the Hotel Sales team in partnership with the Marketing team created monthly emails that kept planners informed about our safety measures and highlighted San Diego’s great outdoor venues, hotel renovations, unique neighborhoods and natural beauty.

78,145 DEFINITE ROOM NIGHTS BOOKED (NEW MEETINGS)

CITYWIDE / CONVENTION CENTER SALES

During the pandemic, the Convention Center proved it truly is a community asset by providing shelter to our unhoused neighbors and then to migrant children seeking asylum in the United States. While it was closed to events, the SDTA Citywide Sales team worked with clients to keep them informed and rebook where possible. To ensure clear communication and transparency, the Citywide Sales team worked closely with the Convention Center staff and held town halls with potential clients featuring public health officials and civic leaders. Those efforts paid off with the team saving 10 events and booking another 22 future events. Despite all those efforts, the pandemic made an undeniable impact with 49 cancellations due to lack of space at the Convention Center or the fact that the groups already have future rotations booked.

342,072 DEFINITE ROOM NIGHTS BOOKED

SPORTS SALES

Despite the challenges presented by the pandemic with many sports organizers halting planning, the Sports Sales team was able to secure 19 new sports events for San Diego that total 34,243 future hotel room nights. One of the biggest wins of the year included a partnership with San Diego State University to host the first and second rounds of the 2026 NCAA Men’s Basketball Championship, which is the sixth time San Diego has done so since 2001. SDTA Sports also collaborated with a local event operator to bid on and win a large multi-sport youth national competition that will be announced on June 1, 2022. San Diego also hosted the U.S. Open in FY 2021 at Torrey Pines, which was one of the first events to allow spectators and garnered an impressive 150 hours of TV and digital coverage with a reach of over 25 million viewers in 177 countries.

34,243 DEFINITE ROOM NIGHTS BOOKED

VIRTUAL EVENT AND TOWNHALLS

5

576 VIRTUAL EVENT AND TOWNHALL PARTICIPANTS
MARKETING PARTNERSHIPS

With the entire industry financially impacted by the ongoing pandemic, the Membership team provided flexibility on Membership dues by splitting them up into two installments and working closely those who needed additional assistance, which kept the retention level high. In addition, the team hosted the annual Member Golf Tournament for 74 attendees as well as helped produce the Virtual National Travel and Tourism Week celebration.

737 MEMBERS & MARKETING PARTNERS
85% MEMBER RETENTION RATE
$1.2 M MEMBER DUES
93% MEMBER DUES RETENTION RATE

CULTURAL TOURISM

While most of Balboa Park’s institutions were shuttered for a large portion of FY 2021, the Cultural Tourism team continued to partner with park stakeholders to help support their re-opening efforts. Key to that collaboration was the redeployment of funds raised from the Legler Benbough Foundation for an initiative designed to increase visibility and visitation for Balboa Park among locals. Throughout the year, the SDTA was able to quickly react to closures and reopenings by turning off the program and restarting when it provided maximum benefit for the institutions. The local marketing initiative consisted of partnerships with Cox Communications, KPBS, San Diego Magazine, CBS8 and The San Diego Union-Tribune. The total spend for the initiative was $91,319, and it delivered 10.7 million total impressions.

$91,319 LOCAL MARKETING INITIATIVE SPEND
10.7 M TOTAL IMPRESSIONS DELIVERED
LEADERSHIP

When times are tough, leadership is more important than ever. The SDTA worked closely with its Members, industry stakeholders and civic leaders to chart a course for recovery, helping shape the dialogue at the local, state and federal level.

ADVOCACY

SDTA conducted advocacy and outreach on behalf of the local tourism industry, helping organize and mobilize reopening efforts with SDTA team members, who all served on key task forces, as well as working with CaTravel and U.S. Travel on their collective efforts. In addition, the SDTA developed excellent working relationships with San Diego County public health officials, who helped lobby state officials on the resumption of small meetings as well as the continued opening of hotels for leisure travel. The SDTA team also helped convened working groups with major attractions, events and venues, and meetings and convention industry groups to develop a roadmap for responsible reopening, including partnering with the California Hotel Lodging Association to demonstrate to local elected officials, county health representatives and local media how group meetings can safely resume.

COMMUNICATIONS

During this crisis, the SDTA improved its Member and industry outreach by increasing its B2B email program of work, revamping its Friday Executive Report, which had been a roundup of industry and local news, into a robust report on all the latest COVID-19 developments, resources, industry research and more. It also added a Tuesday email to feature the innovative spirit and resiliency of the local tourism and hospitality industries. In addition, the SDTA provided insightful and timely economic data with weekly and monthly industry performance updates, forecast updates in conjunction with Tourism Economics and a continued partnership with SANDAG for employment tracking.

SDTA also organized and held numerous virtual meetings and webinars to help keep Members and industry partners informed and connected, including:

- Social media marketing in a pandemic
- Protecting businesses from COVID-19 legal claims
- Status and outlook for air service
- Economic forecasts for local and state tourism industry
- Addressing homelessness downtown with the Downtown San Diego Partnership
- National Travel Perspective in partnership with the U.S. Travel Association
- Cal/OSHA Regulations
- COVID-19 Vaccines and Legal Questions

THANK YOU TO OUR COMMUNITY PARTNERS

GIVING BACK FOOD DISTRIBUTION

With so many tourism and hospitality employees furloughed or out of work, the SDTA partnered with the San Diego County Credit Union Holiday Bowl, San Diego & Imperial Counties Labor Council, San Diego County Lodging Association, the San Diego Hospitality Human Resources Association and the Jacobs & Cushman San Diego Food Bank as well as with Feeding San Diego on several food distribution events throughout the winter of 2020-21.

- 6,941 Workers Served
- 190 Tons Food Distributed

15 MEMBER WEBINARS
3,100+ WEBINAR PARTICIPANTS
Despite the devastating impact COVID-19 had on the local tourism industry in FY 2021, the SDTA was still able to deliver exceptional results. Through strategic leadership, creative thinking and hard work, the SDTA team helped cement San Diego's reputation as a premier destination and laid the foundation for recovery.

**Sales Division**
- Convention Center Sales: 342,072 Definite Room Nights
- Hotel Sales: 78,145 Definite Room Nights
- Sports Sales: 34,243 Definite Room Nights

**Marketing Division**
- Brand Marketing: 4.1 Million TMD Room Nights
- Public Relations: 61% Average Article Score
- Advertising & Promotions: $488,245 Unpaid Promotions
- Advertising & Promotions: 1.1 Billion Gross Impressions
- Digital Marketing: 17.3 Million Audience Engagement
- Travel Trade: 30 Member Referrals
- Member Services: $1.8 Million PSR Recognized
- Member Services: $507,825 PSR Contracted

**FY 2021 DELIVERING ROI**
- $28 to $1

**FY 2021**

**ANNUAL VISITOR SPENDING**
- $5.2 B

**HOTEL ROOM NIGHTS SOLD**
- 11.63 M

**TOT Collections (City)**
- $126.7 M

**TOT Collections (County)**
- $186.7 M

**TMD Assessment Collections**
- $16.1 M

*Based on lodging revenue generated for the City of San Diego Tourism Marketing District, July 2020 – June 2021

*State and local transient occupancy, sales & property taxes*
MANAGEMENT’S DISCUSSION & ANALYSIS

ORGANIZATION
The San Diego Tourism Authority (SDTA) was incorporated in California in October 1954 as the San Diego Convention & Tourism Bureau, a nonprofit mutual benefit corporation. The organization’s mission is “To Drive Visitor Demand to Economically Benefit the San Diego Region.” The organization receives most of its funding through a services contract with the San Diego Tourism Marketing District (SDTMD). Funding allocations under the contract are based on District assessments on hotel room revenue collected by hotels within the City of San Diego.

2021 COMPARED WITH 2020
For the fiscal year ending June 30, 2021, funding received from SDTMD was $21.0 million, a decrease of $14.6 million compared to FY 2020. The decrease in SDTMD funding was directly attributable to the sharp decline in TMD assessment collections caused by the shutdown of travel and related activities due to the COVID-19 pandemic beginning in March 2020 and continuing through FY 2021. The decreased allocation of SDTMD funds in FY 2021 was partially offset by revenue recognized from the Paycheck Protection Program of $1.9 million and the Employee Retention Tax Credit program of $0.6 million. The decrease in TMD funding resulted in an overall decrease in advertising expenditures of $7.9 million in FY 2021 vs. FY 2020. Digital advertising platforms accounted for $3.8 million of the overall advertising decrease and television advertising decreased by $4.0 million. Advertising production expenditure decreased by $0.2 million compared to FY 2020.

Revenue from private sources during FY 2021 decreased to $3.6 million from $5.6 million during FY 2020. The overall decrease in revenue was primarily attributable to a decrease in revenue from advertising sales of $0.5 million and event participation and sponsorships of $0.5 million due to the cancellation of nearly all in-person events from pandemic related restrictions on meetings and gatherings.

Operating costs, excluding advertising, decreased by $6.9 million compared to FY 2020. Salaries and employee benefits decreased by $3.3 million overall due to cost saving measures including staff and wage reductions, furloughs, and benefit reductions during FY 2021. Promotions and events spending decreased by $0.9 million as nearly all events were canceled due to the pandemic. The pandemic related travel restrictions and event cancellations also resulted in a decrease in travel and entertainment expenses of $0.5 million compared to FY 2020. General and administrative expenses decreased $0.3 million due primarily to decreases in office occupancy related expenses.

The net pension liability associated with the frozen defined benefit pension plan decreased by $1.2 million during FY 2021 due primarily to returns on plan assets greatly exceeding actuarially expected returns. During FY 2020, a discount rate assumption used to value future obligations under the plan was reduced based on financial market conditions resulting in an overall increase in the projected benefit obligation of the plan during FY 2020. The combined impact of actuarial measurements and return-on-plan assets, resulted in a total positive impact to net income from net pension changes and net periodic pension benefit costs of $1.2 million during FY 2021 vs. a $1.1 million net cost in FY 2020.

ADVERTISING EXPENSE BREAKDOWN
Advertising expenses for the fiscal years ending June 30, 2021 and 2020 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital</td>
<td>$7.2 M</td>
<td>$11.0 M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td>5.9 M</td>
<td>9.9 M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out-of-Home</td>
<td>0.6 M</td>
<td>0.4 M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>0.5 M</td>
<td>0.7 M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print</td>
<td>0.1 M</td>
<td>0.2 M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$14.3 M</td>
<td>$22.2 M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## STATEMENTS OF ACTIVITIES
### FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (IN THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PUBLIC SOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego Tourism Marketing District</td>
<td>$20,955.9</td>
<td>$35,614.3</td>
</tr>
<tr>
<td>City of San Diego grants</td>
<td>-</td>
<td>10.0</td>
</tr>
<tr>
<td>Federal tax credits</td>
<td>649.1</td>
<td>-</td>
</tr>
<tr>
<td>Federal grants</td>
<td>1,932.7</td>
<td>-</td>
</tr>
<tr>
<td><strong>PRIVATE SOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service agreements - Unrestricted</td>
<td>1,536.7</td>
<td>2,403.5</td>
</tr>
<tr>
<td>Service agreements - Restricted</td>
<td>200.0</td>
<td>200.0</td>
</tr>
<tr>
<td>Membership dues</td>
<td>1,200.3</td>
<td>1,336.5</td>
</tr>
<tr>
<td>Advertising sales</td>
<td>558.5</td>
<td>1,014.0</td>
</tr>
<tr>
<td>Sponsorships and events</td>
<td>58.7</td>
<td>558.1</td>
</tr>
<tr>
<td>Commissions and other income</td>
<td>16.8</td>
<td>66.4</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$27,108.7</td>
<td>$41,202.8</td>
</tr>
</tbody>
</table>

| **OPERATING COSTS AND EXPENSES** |               |               |
| Advertising                | $14,324.4     | $22,239.6     |
| Salaries and employee benefits | 6,667.2       | 9,949.8       |
| Professional services      | 2,117.2       | 3,872.6       |
| Administrative and general expenses | 1,513.5       | 1,780.3       |
| Tourism research           | 358.0         | 474.4         |
| Promotional materials and other | 294.6         | 341.0         |
| Promotions and events      | 69.0          | 1,017.0       |
| Travel and entertainment   | 27.0          | 495.5         |
| **TOTAL OPERATING COSTS AND EXPENSES** | $25,370.9     | $40,170.2     |

| **CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES** |               |               |
| Pension changes and net periodic pension benefit (cost) income | 1,157.5       | (1,117.8)     |

| **CHANGE IN NET ASSETS** |               |               |
|                         | $2,895.3       | $(85.2)       |