

DRAFT

RESOLUTION 20xx-xxx

RESOLUTION AUTHORIZING AN AGREEMENT WITH EXTREME SAN DIEGO, LLC FOR SPONSORSHIP OF AN EXTREME SAILING SERIES EVENT IN OCTOBER 2018 IN AN AMOUNT NOT TO EXCEED \$150,000 IN FUNDING AND UP TO \$75,000 IN DISTRICT SERVICES; FUNDS REQUIRED FOR FY 2018 EXPENDITURES ARE BUDGETED, AND FUNDS REQUIRED FOR FY 2019 WILL BE BUDGETED IN THAT FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF THAT FISCAL YEAR'S BUDGET

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 Section II (E) that requires agreements in excess of \$175,000 to be approved by the BPC; and

WHEREAS, in 2017, the Extreme Sailing Series was held around the world in eight countries, on four continents and featured a special waterfront experience with 32-foot foiling catamarans, representing multiple countries and international corporate sponsors, racing on a tight course; and

WHEREAS, the District sponsored the 2017 Extreme Sailing Series event that was held on San Diego Bay, at Harbor Island, from October 19-22, 2017 and provided \$100,000 in funding and up to \$75,000 in District services, which included public safety support from the San Diego Harbor Police and rental of Harbor Island Park and its adjacent parking lot; and

WHEREAS, the October 2017 Extreme Sailing Series event in San Diego generated \$2.5 million in revenue to the region (based on an economic impact analysis completed by the San Diego State University Tourism Center for Hospitality Research); and

WHEREAS, an estimated 9,464 people attended the 2017 event, of which one-third were non-local visitors; and

WHEREAS, the 2017 San Diego event generated 3,303 hotel room-nights to District tenant hotels; and

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WHEREAS, District tenant businesses that benefited from the event also included restaurants, retail establishments, parking facilities and tourist attractions; and

WHEREAS, the 2017 San Diego event generated \$2.3 million to District tenants in incremental revenue that resulted in \$115,000 in indirect revenue (concession rent) from the aforementioned tenant establishments, as well as \$7,000 in direct revenue (ticket and merchandise percentage fees paid by the event organizers) to the District, for an estimated total of \$122,000 in revenue to the District; and

WHEREAS, the 2017 Extreme Sailing event on San Diego Bay exhibited signs of positive growth potential as well as generated a financial and promotional return to the District to an extent that merits consideration of a second event and additional sponsorship support for a 2018 event in San Diego; and

WHEREAS, based on that, for 2018, staff is recommending an increase of \$50,000 in District funding, for a total of \$150,000 in event funding, and the same amount of District services provided in 2017 in the amount of \$75,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director, or her designated representative, is hereby authorized on behalf of the San Diego Unified Port District to enter into an agreement with Extreme San Diego, LLC for sponsorship of an Extreme Sailing event in October 2018, in an amount not to exceed \$150,000 in funding and up to \$75,000 in District services. Funds required for FY 2018 are budgeted and funds required for District services will be incurred in FY 2019.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 10th day of April 2018, by the following vote: