

# Tourism, marketing and the convention center expansion

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The San Diego City Council recently approved the latest addendum to the agreement between the City and the San Diego Convention Center. This is an important step in helping to grow jobs in our region. The expansion of the convention center will benefit our entire region. This decision was important for many reasons, but for our organizations and our members it was first and foremost about jobs. Jobs and the ability to access jobs is one of the top concerns of not just our organizations, but all San Diegans.

The council's action to authorize the transfer of the sales and marketing function from the Convention Center Corp. to a qualified third party, presumably the San Diego Convention & Visitors Bureau (ConVis), is a critical step in making sure the promised jobs and economic benefit are realized and that the revenue projections associated with the proposed convention center expansion will occur. In short, this is a win-win-win for all San Diegans.

It's a win for the city and taxpayers, because it will assure that the revenue projections will actually occur. "Heads in beds" is important not just to hotels, it is important to every San Diegan because our hospitality sector will pay a significant portion of the cost to expand the facility. The transient occupancy fee (TOT), sometimes called a room tax, goes directly into the general fund to pay for vital services like police, fire, libraries and parks in every San Diego neighborhood. Since its original construction in 1989, the convention center has utilized more than 12 million hotel room nights and created more than \$400 million in tax revenue for the city of San Diego.

It's also a win for our current convention center employees because it will assure that the center's use is maximized, thus providing a more stable flow of business for those who work there now. The expansion will also create new jobs at the convention center. It should be noted that the vast majority of the jobs at the convention center are union jobs, and they would be the primary beneficiaries of an expanded convention center with additional sustained business.

Lastly, it's also a win for our region's economy. Hospitality and tourism is the third largest industry sector in San Diego, providing over 150,000 jobs. A more effective sales and marketing effort for the convention center will create more room nights in our hotels, more jobs at the convention center, and at hotels, restaurants, retailers, tourist attractions, cultural sites and hundreds of small businesses throughout San Diego.

When all is considered, the expanded convention center will create 7,000 new permanent jobs and 4,000 temporary construction jobs. This project will have an estimated economic impact of \$698 million on our region, and provide the city with an additional and ongoing \$12.7 million in TOT and \$800,000 in sales tax per year.

The action approved by the City Council puts San Diego on the same competitive level with 80 percent of the municipalities across the country that use a third- party, nonprofit like ConVis for sales and marketing of their convention centers. The City Council's action allows us to focus on the goal to book the convention center to full capacity and fill as many room nights as possible. Maximizing revenue generation will not only pay for the expanded facility – it will also bolster our economy, create jobs and provide much-needed revenue for essential city services, to the benefit of all San Diegans.