DESTINATION SA UPDATE 2011

Strategic Vision for Visitor Industry Growth in San Antonio

March 2012
INTRODUCTION & BACKGROUND

Conventions, Sports and Leisure International was retained to update the formal long-range strategic plan for the San Antonio visitor industry. The original plan, completed in 2006, was titled "Destination SA" and was undertaken to provide the community with a plan to:

- Enhance the attractiveness of the destination for visitors and residents.
- Protect and intensify the unique cultural and historical characteristics of the San Antonio destination.
- Heighten the ability of the visitor industry to create significant economic benefits for the residents of San Antonio.

The results of the 2006 Destination SA provided strategic assistance in guiding resource allocation and policy direction related to initiatives that can enhance the unique appeal of the destination and the economic impact of the visitor industry in San Antonio. Subsequent to the issuance of Destination SA, numerous investment and policy initiatives have been implemented to support and enhance the visitor industry in San Antonio, and a significant brand positioning effort has been completed.

The comprehensive branding campaign encompasses San Antonio history, arts and culture, world class cuisine and wine, family fun, romance, and sports and outdoor. The brand concept, as well as the actual logo, have been incorporated in numerous city programs, the official website, and infrastructure development projects. Increasingly, the city speaks with a single voice with respect to the vision that underscores the overall "Deep. In the Heart" brand.
There is a passage in the Brand Book developed to introduce the brand launch that is highlighted below.

In essence, this is a promise to the visitor as to the experience that can be found in San Antonio. It is critical that the visitor expectations that are created are met and exceeded on a consistent basis.

Considering this, the city has retained CSL to prepare an update to the original Destination SA. This update, drawing from significant participation from industry stakeholders within the San Antonio community, will provide the city with an extensive plan for continued strategic investment in the convention and visitor industry. This investment will serve to enhance the San Antonio destination appeal and resulting community-wide impacts; and will help meet the expectations being created for the traveling public as they visit San Antonio.

Importantly, this update reflects the direction and vision for community-wide development established by Mayor Julián Castro’s recently released SA 2020. The vision, goals and strategies identified in SA 2020 resulted from extensive community outreach over a 6 month process. The extensive level of collaboration, bringing together San Antonio expertise and experience from myriad perspectives, gives the SA 2020 vision particular relevancy as discussions about the unique and authentic future of San Antonio continue.

Importance of Visitor Industry Strategic Planning

In the original Destination SA, the value of investment in the visitor industry was emphasized. It was stated that “Such investment can bolster local tax revenues thereby reducing the tax burden on residents, can improve the quality of life aspects for residents, and can increase the exposure of the destination to business leaders from around the country and globally.”

The most recent studies of visitor industry economic impact in San Antonio indicate that in 2008, the economic impact of San Antonio’s hospitality industry was estimated at $11 billion, employing more than 106,000 people. Recent visitor industry development initiatives described below, along with the recommendations presented herein, can help to protect and enhance this level of impact.

The value of investment in the visitor industry can be significant and broadly distributed. Efforts to increase the average length of stay for visitors, increase overall visitation and attract added conventions can have a significant financial impact. For example,

- For every one-half day that the typical visitor extends their stay, hospitality industry impact could increase by approximately $1.0 billion.
- A two percent annual increase in visitation for a period of five years would result in an additional $937 million in San Antonio visitor impact.
Every major convention attracted to the Convention Center (assuming 10,000 attendees) can generate between $12 million and $14 million in new spending and up to 36,000 added room nights.

There are many variables that impact overall visitation within a market; however, the recommendations proposed herein are designed to help achieve these types of extended stay and added visitor/convention levels.

Recent Destination Investment

Since the issuance of our original Destination SA report, several significant investments in the local visitor industry have either taken place or are planned for the community. These include, but are not limited to the following:

- **Witte South Texas Heritage Center** – Currently undergoing a significant capital campaign, the 85-year old institution is set to open the $10 million South Texas Heritage Center in May 2012, with an overall master plan for future improvements to include a new Grand Entry, new galleries and a Center for Rivers and Aquifers.

- **McNay Art Museum** – Completed in 2008, the McNay’s $33 million Stieren Center for Exhibitions nearly doubles the size of the historic museum, with a modernist glass pavilion, amid a 23-acre sculpture garden, designed by world-renowned architect Jean-Paul Viguier.

- **HemisFair Park** – In 2009, the city created the HemisFair Park Area Redevelopment Corporation (HPARC) to assist with planning, property acquisition, development, construction, management, maintenance and financing projects within and near the park. Since its creation, HPARC has focused its efforts on the creation and implementation of a framework plan for the HemisFair area. Per the framework plan, the vision for the redevelopment of HemisFair is to create a vital mixed use area activated by “24/7 living”. City Council endorsed the framework plan in May 2011.

- **Grand Hyatt San Antonio** – Opened in March 2008, this 1,003-room hotel serves as a headquarters hotel property for the Henry B. Gonzalez Convention Center.

- **JW Marriott Hotel** – Located six miles north of the airport, the 1,000-room golf resort opened in early 2010.

- **River Improvements Project** – The San Antonio River Improvements Project (SARIP) is a $384.5 million on-going investment. The $72 million Museum Reach Urban Segment, completed in 2009, is a 1.5 mile segment of the river from Josephine Street south to Lexington Avenue. The project’s Mission Reach has two complete phases, with full completion in 2013.

- **San Antonio International Airport Expansion** – Runway Extension Project is slated for completion December 2012, Terminal B Gates 1 and 3 will be operated by United Airlines beginning in February 2012, and implementation of the Terminal A Renovations Program is scheduled to begin in early 2012, initially with design followed by 18 months of construction starting Fall of 2012.

- **Pearl Brewery Development** – The 22-acre Pearl Brewery site is undergoing an extensive redevelopment effort to transform it into an arts, culture and learning destination/residential community. The complex also features the Culinary Institute of America campus and has ongoing construction for residential, retail, office, hotel and restaurants.

- **Morgan’s Wonderland** – This 25-acre park is the world’s first ultra accessible family fun park designed specifically for children and adults with special needs, their family members, caregivers, friends and the entire community.

- **Community Venues Program** – $80 million Bexar County program to develop youth and amateur sports facilities, $125 million for the San Antonio River Improvements Project, $110 million for cultural arts venues (including the Tobin Center for the Performing Arts), and $100 million for improvements to various community arenas.
• **West Side Multimodal Center** – This facility will offer travel connections for several modes of transportation including bus rapid transit, traditional bus service, the Austin-San Antonio commuter rail, inter-city bus lines, and taxi services.

• **Briscoe Western Art Museum** – The $30 million 50,000-square-foot, four-story museum is scheduled for a partial opening in 2012, with a full grand opening in 2013.

• **Houston Street Upgrades and Improvements** – The goal is to relieve pedestrian and automobile traffic pressure and to create an alternative to the River Walk for restaurants and entertainment. The project has helped spur more than $180 million in development over the past five years.

• **Signage/Downtown Wayfinding System** – A new signage and wayfinding plan for downtown and HemisFair Park was implemented as part of the Downtown Pedestrian Wayfinding Project by the City Council.

• **Haven for Hope** – In 2010, the 37-acre comprehensive “transformational” center opened making use of the nation’s best practices, working in tandem with the city, law enforcement, and business stakeholders to address the city’s homeless population.

• **Brackenridge Park** – With a newly incorporated (October 2008) conservancy, Brackenridge Park has heralded many recent improvements to one of the city’s oldest gathering spaces. Since 2006, the park has introduced historic restorations, public art and other amenity improvements. The Brackenridge Park Conservancy is a steward of and an advocate for the park and an instrument for preserving and enhancing the park’s natural, historic and recreational resources for the enjoyment of current and future generations. The Conservancy will increase resources – volunteers, expertise, funding and influence – for the park.

• **Main Plaza** – In 2008, a re-visioned and redeveloped Main Plaza was opened with pedestrian-friendly spaces, performance plazas and a conservancy to program public events and long-term maintenance and improvements.

• **Hardberger Park** – Another successful conservancy partnership with the City has helped create one of San Antonio’s most interesting ecological experiences, with hike-and-bike trails along the Saldaño creek, from an historic farm. The park, which opened its first phase in 2010, adds more than 300 acres of public green space to the city.

• **San Antonio Bike Programs** – Led by the city’s Office of Environmental Policy, several initiatives to encourage bicycle use and walking have gained traction in recent years. The city has introduced a bike share program, a bike rental concession and, along with partners like the Metropolitan Planning Organization, developed and expanded clear bike routes throughout the city supported by an awareness campaign.

• **Convention Center Improvements** – Upgrades in the last few years have improved the center’s façade and pedestrian experience, especially on the street level. Ongoing discussions about expansion and improvements within the context of HPARC’s re-visioning and redevelopment of HemisFair Park are significant and present the best opportunity to appropriately and successfully expand the center.

• **River South Coordinated Management Plan** – In October 2010, City Council endorsed the River South Coordinated Management Plan that addresses a coordinated management approach of the operation, management, and promotion of the Mission Reach of the San Antonio River Improvements Project and its surrounding area. Per the Plan, a governance structure was created to provide policy oversight and implementation management.

• **Mission Reach Recreation Concessions Study** – The San Antonio River Authority conducted a study to evaluate concession opportunities on the Mission Reach. This study was commissioned to evaluate which
concessions will be appropriate for the area, where the best locations for concessions are and how concessions will be managed.

- **Downtown Transportation Plan** – In Fall 2011, the City of San Antonio commissioned a Downtown Transportation Study for the Central Business District. The study will identify transportation opportunities and street typologies that promote economic development and efficient transportation to, from, and within downtown.

- **Inner City Redevelopment Initiatives** – In 2008 the City of San Antonio created the Center City Development Office to promote development, redevelopment, and retention of commercial, retail, residential, and cultural opportunities in downtown and surrounding central City neighborhoods. In February 2010, City Council adopted the Inner City/Reinvestment Infill Policy (ICRIP). The purpose of the ICRIP is to facilitate reinvestment and development in the inner city.

- **Centro Partnership** – Since April of 2009, the city, in cooperation with the San Antonio Downtown Alliance and other stakeholders, have been working together in an effort to reinvent and redesign their approach to downtown management. In July 2010, Centro Partnership San Antonio was created. The Centro Partnership is a public/private partnership that oversees and facilitates development and revitalization in the center city. It will serve as a new umbrella organization guided by a shared vision, committed to a focused mission, and managing an expanded array of new tools.

- **Downtown Framework Plan** – In May 2011, Centro Partnership San Antonio commissioned a “framework plan” to set targets for growth, identify primary and secondary target areas, set strategic goals, objectives, and priorities for each priority area, and recommend economic development products for downtown and necessary public improvements for each project for consideration in the 2012 bond program.

- **Inner City Economic Development and Implementation Strategy** – In April 2011, the city commissioned an Economic Development Implementation Strategy for the inner city to assist in developing organizational capacity to increase reinvestment and redevelopment within the inner city.

- **Downtown Retail Study** – Commissioned in Summer 2011, this plan will determine opportunities and challenges to retail expansion and recommended targets for new retail tenants.

- **Alamo Plaza Study** – Beginning in Summer 2011, the city has conducted public workshops and stakeholder interviews to develop a concept plan that addresses the following:
  - Area destinations that need to be enhanced, develop and connected to create a stronger district identity;
  - Suggested activities and uses, amenities such as seating, landscaping, lighting and public art, and focal points, and their locations;
  - Edge and street improvements;
  - Relationships to existing and new buildings and their uses; and
  - Circulation patterns.

- **Placemaking Campaign** – In 2011, working with the Center City Development Office, Project for Public Spaces (PPS) facilitated a four-day training curriculum called the Placemaking Academy designed specifically for city staff and downtown stakeholders. Attendees participated in interactive workshops about Planning Streets for Community Outcomes, Creating Great Places through events, and ways to create great spaces on a small budget.

As previously noted, SA 2020 has been launched as a guiding vision for future community service, planning and development. Other planning efforts are also under way including a future bond program.
2005/2006 Destination SA Status Review

Prior to presenting the updated Destination SA Update results, it is instructive to review the progress that has been achieved in implementing the original Destination SA recommendations. The original recommendations addressed a wide variety of policy and development areas including enhancement of the San Antonio experience, street level improvements, operational changes at La Villita and Market Square, further investment in HemisFair Park, more engagement of the local arts community as part of the visitor industry, and many others. A summary of progress in these areas is presented below.

Authenticity Campaign

We recommended that the CVB and the Office of Cultural Affairs (OCA) lead a program to encourage the public and private sector to make decisions with respect to policy and development that protect and highlight the history and culture of the destination. It appears that these objectives have been pursued informally and consistently. While no specific program may have been put in place, leadership of the CVB and OCA routinely incorporate the notions of unique and authentic in virtually every effort they undertake. We understand that city code does now allow for street performances, correcting a limitation to the ability to bring the local culture to visitors and residents to the downtown area.

There is still work to be done in the area of creating city policies that encourage and support local entrepreneurs. Original suggestions included waiving or reducing various fees and licensing costs that may negatively impact the ability of smaller local businesses to thrive. There are still policies in place regarding permitting that hamper smaller locally-owned downtown businesses.

Investing in Infrastructure, Tied to a Theme

Recommendations as to improving the River experience have been addressed in a significant way, including the following:

- **San Antonio River Improvements** – The Urban Segment of the Museum Reach opened May 30, 2009. The project stabilized the river channel; extended navigation by river barge through the addition of a lock and dam; created access along a linear park that links major cultural institutions and commercial centers; and added landscaping, pocket parks, lighting and signage.

- **Pearl Brewery Development** – 22-acre Pearl Brewery site is undergoing a redevelopment to transform it into an arts, culture and learning destination.

- **Ongoing Planning for the Southern Stretch** – Planning continues for improvements to the Mission Reach of the River, and the timing for implementation appears consistent with past plans. Improvements along the Mission Reach will focus on ecosystem restoration using a technique known as fluvial geomorphology. This technique will transform the straightened river to replicate the original flow of the river while maintaining flood control, reducing erosion, re-introducing native vegetation and creating an environment more suitable for recreation and wildlife. Phase 1 and 2 of the Mission Reach opened in Summer 2011. The entire 8 mile segment will be complete by Fall 2013.

Recommendations were made for public investment in the area of the turning basin near the Pearl Brewery. In reality, private sector development in the area will likely serve to create a desirable environment for residents and visitors. Once capital markets begin to loosen, we expect that significant additional development within and around the Pearl Brewery area will take place. Approximately 293 housing units and 90,000 square feet of office space are under construction at Pearl. An additional 611 housing units are under construction in the area.
surrounding Pearl. The redevelopment of the ButterKrust Bakery will provide an additional 250,000 square feet of office space to the Broadway corridor.

Linkages from the turning basin to Brackenridge Park are underway. The $12.6 million Museum Reach Park Segment portion of the San Antonio River Improvements Project runs from Josephine Street to Hildebrand Avenue, which is near the San Antonio River headwaters. Phase I, from Josephine Street to Avenue B, opened in November 2009. Phase II, from Avenue B to Hildebrand Avenue, is scheduled for completion by 2012. When completed, the Park Segment will connect downtown San Antonio to the Witte Museum, Brackenridge Park and the San Antonio Zoo with lighted hike and bike trails and a constructed wetlands near the Witte Museum.

Within the downtown area, the original planning study recommended investment in several street level connectors, including the linkages between the River and Market Square and connecting downtown to Sunset Station/St Paul Square along Commerce. To date, the Main Plaza investment has had a successful beginning, and serves as an important start to the street level connections between the River and Market Square. There have been no significant investments in connectivity in other areas identified in the original Destination SA study. The downtown traffic study could help identify opportunities for such investment.

Recommendations were made regarding La Villita and Market Square, focusing on operational and physical aspects. The City pursued these issues with an attempt to secure a private management alternative at Market Square. This effort has not come to fruition, and changes at La Villita have only been discussed.

The recommendations for HemisFair Park focused on a variety of areas, and the City has taken very important steps to secure the future of the Park, particularly with the forming of the HemisFair Park Area Redevelopment Local Government Corporation.

Recommendations were made to focus on downtown housing, including development along Houston Street. While several downtown-area developments have opened recently, including the Vistana, St. Benedict’s, Refugio Place, 1221 Broadway, HemisView and Vidorra -- market conditions for housing across the country have deteriorated significantly. At the same time, the character of Houston Street has tended to focus more on small office space (particularly for creative industries), restaurants and entertainment. Alternate areas in which to encourage downtown housing will need to be pursued, as discussed later in this report.

A number of planning recommendations were made that target development along the southern stretch of the River (Mission Reach). The planning for development in this area is underway. Further recommendations to enhance the visitor experience along the southern stretch are presented later in this report.

Recommendations were made as to improving the San Antonio Convention Center. San Antonio is viewed very favorably by national meeting planners, and there may be opportunities to increase visitation through added convention activity. Over the past two years, various planning work for expansion and improvement to the Convention Center has been undertaken. The City retained an architectural team to evaluate investment opportunities that accomplish several goals including improving outdated interior space, linkages to HemisFair Park and enhancement to Center revenue streams.

*Enhancing Linkages Between Local Art/Culture and Tourism*

Several initiatives were recommended to better link local art and cultural assets of the destination to the visitor industry. These included increasing funding directly to arts groups, bringing more visitors to the neighborhoods to experience authentic local culture, and building a connection between arts groups and the visitor.
Over the past several years, several initiatives have been undertaken, including securing an increase in the budget for the Office of Cultural Affairs and the very successful Luminaria events. More recently, great emphasis has been placed on the development of cultural districts with connectivity to the downtown area. The continuing planning discussions for the Broadway Cultural Corridor represent an opportunity to create a neighborhood destination with cultural and entertainment assets sufficient to create an environment that can attract visitors. These assets include Brackenridge Park, museums (Witte, McNay, SAMA, emerging housing/retail/restaurants, connectivity to development at Pearl Brewery and others. The Mayor has made the development of these types of cultural districts a priority, and with the appropriate follow-through, they may emerge as important additions to the inventory of authentic San Antonio visitor industry assets.

Summary

Significant progress has been made with respect to the enhancement of the San Antonio visitor industry product, including the new JW Marriott, significant investment in River improvements and a focus on developing authentic cultural districts. We also note that city leaders and visitor industry professionals often refer to the importance of creating a destination that is unique and authentic relative to San Antonio history and culture. From this perspective, the Destination SA report has not simply "sat on a shelf" but has been a valuable reference tool for decision makers as they seek to improve the appeal of the destination.

Destination SA Update - An Extensive Study Process

As with the original Destination SA, extensive research was conducted to support the findings and recommendations contained in this update. Our staff conducted extensive site visits and field research in the San Antonio market. In addition, extensive meetings were conducted with San Antonio visitor industry stakeholders as well as city officials, business leaders and representatives of other organizations that can impact or are impacted by the visitor industry.

Specific elements of the research are described below.

- More than 70 interviews with local industry/business/political leaders.
- Over 1,050 visitor intercept interviews with visitors and residents in the San Antonio area.
- Interviews with planners of nationally-rotating conventions and tradeshows with a history of bringing events to San Antonio.
- Surveys of 74 national travel writers.
- Interviews with 26 operators of River Taxi Cruisers.
- Surveys of concierge staff at eight primary local hotel properties.
- Conversations with operators of tour groups that travel to San Antonio.
- Review of the existing San Antonio area visitor industry amenities and organizational structures.
- Review of past development and strategic planning documents.
- Evaluation of competitive and comparable destinations.
- Meetings and discussions with Convention & Visitor Commission members.

This research has provided the foundational support for the findings and recommendations presented herein.
1.0 DESTINATION SA UPDATE – EXECUTIVE SUMMARY

This Executive Summary highlights key findings and recommendations generated as part of this update of the 2006 Destination SA planning study. The update provides the City with an extensive plan for continued strategic investment in the convention and visitor industry – investment that will serve to enhance the San Antonio convention and visitor industry product and resulting community-wide impacts. The recommendations presented herein also support the vision established by SA 2020.

San Antonio has emerged as a top tier destination for leisure travelers and convention planners. Levels of visitation had increased dramatically over the past twenty-plus years, reaching 20 million visitors in 2002. Since 2002, visitation has increased somewhat, reaching a reported 25 million in 2008. To what extent visitor impact will continue to increase as a result of the recommendations presented herein can be difficult to measure in detail, however we can make the following statements:

- The visitor length of stay in San Antonio based on our survey research ranges from one day to over 7 days, with an average of approximately 4.5 days. Many of the recommendations contained herein are designed to provide opportunities to extend the visitor stay. For every one-half day that the typical visitor extends their stay, hospitality industry impact could increase by approximately 11 percent. Given the reported annual hospitality industry impact of approximately $9 to $11 billion and the share of this that originates from overnight visitors, the one-half day extended stay equates to an approximate $1.0 billion in added San Antonio area economic impact.

- If the recommended improvements drive a 2 percent annual increase in visitation for a period of five years, annual recurring hospitality industry impacts could increase by an additional 10.4 percent or approximately $937 million.
Every major convention attracted to the Convention Center (assuming an average of 10,000 attendees) can generate between $12 million and $14 million in new spending and up to 36,000 added room nights.

Destinations including Dallas, Phoenix, Oklahoma City, Indianapolis, Chicago, New Orleans and others are investing in convention and visitor industry product. Over time, with no investment in the San Antonio visitor product, new visitor levels and repeat visitation will likely decrease.

The full report should be read in its entirety to obtain the planning background and to consider the in-depth research conducted as part of this study.

Subsequent to the issuance of the original Destination SA, numerous investment and policy initiatives have been implemented to support and enhance the visitor industry in San Antonio, and a significant brand positioning effort has been completed. The comprehensive branding campaign encompasses San Antonio history, arts and culture, world class cuisine and wine, family fun, romance, and sports and outdoor themes. The brand concept, as well as the actual logo, have been incorporated in numerous city programs, the official city website, and a wide range of infrastructure development projects. Increasingly, the city speaks with a single voice with respect to the vision that underscores the overall “Deep in the Heart” brand.

This Destination SA update relies on extensive research in order to evaluate opportunities to increase the quality and overall marketability of the San Antonio visitor industry product. The plan assembles and modifies viable ideas that have been discussed by local visitor industry and economic development officials in the past but not fully acted on, and suggests new concepts that should be considered as part of the destination improvement process.

Specific Destination SA recommendations, formulated on the basis of extensive market research, are summarized herein.

- **Creation of a Downtown Gateway for the Southern Stretch of the River** – Create a new River Center or Gateway developed at Nueva Street on the east side of the River. The River Center would offer rentals for canoes, kayaks, bicycles and other transportation options. The Gateway would offer close proximity to LaVillita and HemisFair Park along Nueva Street. Opportunities exist to develop the streetscape along this thoroughfare to encourage pedestrian traffic. Near Blue Star, a terminus would be developed prior to the elevation change at East Guenther Street. Visitors and residents could then access Blue Star, Guenther House and Steves Homestead Museum, and could continue their journey south on the River via bicycle, canoe, kayak or foot. A change in City ordinance would be required to allow for this type of activity along the southern stretch of the River. The San Antonio River Authority conducted a study to evaluate concession opportunities on the Mission Reach. This study was commissioned to evaluate which concessions will be appropriate for the area, where the best locations for concessions are and how concessions will be managed. Changes to the ordinances are being proposed by the River South Management Committee and Park staff is working on their implementation.

- **Cultural Tourism and the Northern River Stretch** – The concept that we feel is well worth exploring is to provide opportunities to link the River experience to cultural opportunities unique to San Antonio. Visitors would use the River Taxis or Cruisers to travel along the River to the destinations described above to create a single or multi-day experience. Further, the concepts described below could be packaged and marketed as highly unique personal development experiences. Such packages would also incorporate opportunities for unique cultural experiences throughout the overall destination. These include:
  - The Southwest School of Art to utilize and expand on the one or two day sessions or workshops currently offered to provide
participants the opportunity to learn from visiting master artists and local artists that are associated with the many aspects of art unique to the San Antonio community. The School is also expanding and improving their campus, in anticipation of their new Fine Arts B.A. program.

- The 30,000-square foot Culinary Institute of America at Pearl Brewery to create a schedule of one to two day classes focusing on authentic southwest cuisine.
- The San Antonio Museum of Art to create educational sessions on the art particular to the Museum and to the San Antonio area.
- The San Antonio Symphony musicians housed at the Tobin Center (starting in 2013) to offer a one or two day session – learn with the professionals – that could be of interest to youth and adult musicians.

In addition, enhancements to the northern stretch experience could include greater emphasis on the recently renovated Japanese tea Gardens, the currently renovating and expanding Witte Museum, and Brackenridge Park. Finally, this recommendation could be combined with continued development of the Broadway Cultural Corridor, inclusive of potential future urban rail/streetcar links to downtown.

- **Improvements to Alamo Plaza** – The Alamo Plaza road linking East Houston and Crockett, located directly in front of the Alamo, should be removed and the roadbed incorporated into an expanded plaza area. The expanded plaza area would allow for a more inviting front entrance to the Mission, and could provide space to construct an additional barracks, gateways, mission walls or other structures authentic to the historic Alamo. Such structures would allow for presentation of a greater share of the overall historical collection maintained by the Daughters of the Republic of Texas. Consideration should be given to recreating the exterior fence jutting southeast from the Mission where Davey Crocket’s last stand took place.

- **Market Square and the Linkage to the River** – To allow the area bounded by Dolorosa to the south and Commerce to the north (the Market Square-River corridor) to evolve into a unique urban neighborhood with retail and pedestrian linkages that are appealing to both residents and visitors, the following long term development efforts should be pursued (many of which are
consistent with the Civic Center Master Plan completed by the City in mid 1993):

- Creating a superblock encompassing the areas bounded by Dolorosa to the south, Commerce to the north, Plaza de Armas to the east and Santa Rosa to the west. Some of the public uses in this area take place in structures regarded as historic, including an old two-story hotel.
  o Investing in enhancements to the Spanish Governors Palace and the surrounding areas that were part of the original complex.
  o Consider transferring the land area described above into a non-profit development corporation. The resulting superblock would include areas of green space to replace surface parking. The green space would help to connect Dolorosa to Commerce.
  o A master plan for the superblock should be undertaken that focuses on creating a residential and storefront retail atmosphere. Consideration should be given to taking one lane of traffic away from Commerce and potentially Dolorosa to create wider sidewalks with significant landscaping and a continuous shaded environment from Plaza de Armas to Market Square.
  o The parking for the area could potentially be accommodated in part at the currently vacant annex site at Dolorosa and Cedar.

- **Market Square and La Villita Management** – The city should retain ownership of Market Square, providing a long-term management contract to a private entity. Contract management should also be considered for La Villita. If a management contract is written without adequate protections for either area, an unhealthy measure of generic commercialization could materialize, detracting from their value to visitors and residents. Incentives should be created to encourage the availability of authentic craft versus product imported from China and other countries. Previous suggestions for an “Authenticity Campaign” within Market Square should be considered. Public financing for any defined improvements to Market Square and La Villita should be secured. Consideration of tax increment financing should be given. The recent inclusion of the Market Square area in the existing Public Improvement District will provide a more consistent atmosphere from a cleanliness and visitor service perspective. For La Villita, the management agreement should encourage the participation of resident merchants and artists to extend hours of operation, and to create more interaction with the customer base, including demonstrations in the various public areas.

- **Street Level Improvements** – Relocation of primary transfer point bus stops located in important visitor areas of the downtown is being considered. The development of the West Side Multimodal Center near Cattleman Square could represent an ideal opportunity to move bus traffic and rider congestion from important areas of downtown. While significant progress has been made in enhancing downtown ambience, we have noticed areas within downtown which suffer from a lack of cleaning, from odor issues, or other deficiencies. To address these issues on a real-time basis, a routine “walkthrough” involving the director of the CVB, Centro Partnership to include representatives from the Downtown Alliance, Center City Development Office, and the Downtown Operations Department should be undertaken. The City’s Downtown Task Force and Centro’s “Downtown Detail” can also provide a regular list of needed improvements. We recommend the creation of small, shaded, well-landscaped spaces in high pedestrian traffic areas at street level to accommodate street performances during specific times of the day, and to serve as pedestrian resting spaces otherwise. The spirit of the newly configured Main Plaza is a successful example of this kind of public space that could be replicated throughout downtown. Opportunities to locate these features include the linkage along Commerce between the Rivercenter Mall and St.
Paul’s Square; along Market between the Convention Center and the Alamodome; and along the linkages between the River and Market Square. Given the relatively high concentration of non-local visitors to the Mall, the traditional retail mix has not proven successful. Operators of the mall have responded by adding to the level of “eat-u-tainment” offered at the property (i.e., restaurants and entertainment). Going forward, we encourage the continued effort to diversify the mall’s offerings—with a focus on the visitor industry.

- Continue Pursuit of the Cultural Corridor Concepts – There has been a great deal of community-wide discussion and preliminary planning associated with the creation of several distinct cultural corridors or districts outside of the downtown area with downtown serving as a hub for radiating cultural experiences. Opportunities for cultural corridors include Broadway to the north, Guadalupe/Commerce Street to the west, Southtown/Mission Reach to the south and Houston Street into the east side. If successful, these efforts could create distinct areas within the community that are highly unique and authentic, drawing on the historic structures and landmarks within each district. Much of the discussion and planning to date has included a Broadway Cultural Corridor as a prime opportunity for this type of development. With this or any other area targeted for development as a cultural district, several of the key challenges will have to be addressed going forward. These include creating development density in a manner consistent with each district (housing, retail, office, gallery, etc.), creating transportation linkages that are consistent and reliable (using VIA transit lines, streetcars or, eventually, urban rail), identifying funding sources (potentially including Tax Increment Reinvestment Zone bonds), and creating positive public perceptions regarding the area.

- Add to the Luminaria Experience – The concept that we suggest warrants further exploration involves combining a series of art and cultural events and activities within a five to six day period that culminates with Luminaria. It is critical that the essence of Luminaria not be diluted, however opportunities to create a marketable package of art and cultural opportunities into a multi-day event could help drive added visitation. Consideration should also be given to commissioning art pieces from local artists to be unveiled during Luminaria and displayed at high profile locations within the community for the following 12 months. This cycle can then be repeated for each subsequent Luminaria. Ultimately, we seek to create a vital, sustainable and authentic product that destination sales and marketing professionals can use to drive room night generation. The expansion of Luminaria should be seen as a multi-year process. We suggest that a five year plan be developed with ideas and concepts noted above, as well as other initiatives designed to celebrate art in a uniquely San Antonio way. The CVB should be active in this process to ensure that a product that is highly marketable to visitors can be created.

- St. Paul’s Square Investment – For purposes of this report, the St. Paul’s Square area encompasses the Alamodome, Sunset Station, the historic buildings with various commercial businesses, and the area north to Ellis Alley. Specific initiatives designed to help leverage added visitation include continuing to explore opportunities to increase events and visitation at the Alamodome; explore opportunities to acquire historic structures within the Ellis Alley area with one goal of presenting of African American history in a unique and historically relevant setting; and invest in landscaping, public art and signage along this connector to better support visitation to the St. Paul’s Square area. These improvements should be viewed as long-term investments, and efforts (discussed later in this summary) should be undertaken to make VIA controlled land and properties within the Ellis Alley area available for future development.

- Proactive Enterprise Approach to Utilization of HOT Funds – We recommend a structure be created to accumulate excess HOT tax into a reserve account or accounts for use in Convention
Center/Alamodome repair/maintenance, in targeted sales and marketing efforts designed to increase the impact of the convention and visitor industry in San Antonio, and in other visitor enhancing efforts such as creating a greater set of incentives to lure film producers to San Antonio. A single fund could be established, with priorities set for how funds are distributed, or separate funds could be established for use by the entities that currently participate in the HOT funding (Convention Center/Alamodome, the CVB and Office of Cultural Affairs).

- **River Walk Structural Improvements** – Currently the City is in the process of implementing a multi-year, four phased capital improvement program for the horseshoe area of the River. Going forward, the city should consider establishing an “evergreen” River Walk repair/replacement fund that receives revenues on an annual basis for future capital needs. Sources for such a fund could be identified from a particular revenue stream or various revenue streams; or funding could be provided through annual general fund appropriations. It is common in capital funding for large facilities to allocate one-half of one percent to an annual repair/replacement fund. We suggest working with city staff to assess an appropriate annual funding amount and an associated revenue source.

- **Urban Rail Circulator** – We support the concept of the urban rail project currently being analyzed by VIA. The plan to create a north/south streetcar along Broadway into downtown and HemisFair Park, with an east/west circulator appropriately supports visitor and resident needs and future demands. A thorough study process is taking place to explore the many facets of such a system, including routes, funding, equipment, stations and related issues. Leadership from the CVB and the visitor industry should be actively involved in this planning process. It will be important that funding for such a system does not detract from the resources currently in place for other visitor industry assets and organizations including the Convention, Sports & Entertainment department, the CVB, OCA and related entities.

- **Ring of Residential** – Based on our reviews and input from the Downtown Alliance, several areas ringing the core of downtown should be targeted for future housing opportunities. With the rise of HemisView and Refugio Place in the area of Cesar Chavez Boulevard fronting HemisFair Park, other opportunities include the River to Market Square corridor discussed previously herein, the northern stretch of the River, the area to the east of I-37 (near the Vidorra project), along a Commerce spine from I-37 to Hackberry Street (particularly at the former Friedrich Air Conditioning building), to the west of I-35 encompassing the UTSA area along Frio north to the University Health Center, along Flores south of Alamo near the vicinity of the Blue Star Arts Complex, and at Pearl Brewery which could provide an additional 600 units. In pursuing these opportunities, some of the efforts that should be considered include investigating enhancements to the downtown living environment including Wi-Fi offerings, security, landscaping and other amenities important to residents; continuing to provide current market information on downtown housing to brokers, retailers, employers, developers, appraisers, lenders and other interested parties; developing media articles to highlight downtown’s inviting and vibrant residential living options; and implementing a campaign to encourage people to live downtown (for example, Denver’s “Center Yourself” in Denver initiative).

- **Taking Advantage of 1604 Loop Attractions** – Efforts should be undertaken that (1) expand the base of visitor generating amenities in the resort/attraction corridor along 1604, and (2) expand on current marketing efforts to draw visitors seeking the resort/attraction based experience. With respect to added visitor demand generators, there are numerous options that can be considered including additional theme park development and/or a major sports complex. The SACVB, working with San Antonio
Sports and city officials, should continue to evaluate the viability of an amateur sports complex development, and should respond aggressively to any inquiries from the private sector regarding major attraction development, not only in the Loop 1604 area, but citywide.

- **Support Centro Partnership and the Centro Collaborative Effort** – There are significant properties within the downtown and surrounding areas that are in some form of public control. Given the challenges in financing land acquisition and development, we recommend supporting the Centro Partnership’s efforts to identify strategic opportunities for securing underused land, thereby allowing for important housing and other developmentcritical to the future of the downtown and surrounding areas.

- **Investment in the Convention Center** - There are clear deficiencies at the Gonzalez Convention Center, as exemplified by comments provided to us by past Center users. While this year's completion of $40 million in improvements helps maintain the building’s competitiveness, a process to define long-term needed and cost-effective improvements to the Center should be continued.

In order to begin the process of implementing the recommendations presented herein, we strongly suggest that the forces behind the initiation of the Destination SA update, including the SACVB, the city and the numerous economic development organizations, convene an initial, day-long planning session to discuss the specific recommendations and to begin the process of delegating tasks with specific timelines. The actual implementation of specific Destination SA recommendations should be undertaken using a subcommittee structure under the leadership of city management, the SACVB and other key visitor industry representatives. The makeup of each subcommittee will be influenced by many factors including “ownership” of a particular recommendation (which entity will ultimately be responsible for implementation), the organizations affected, required expertise and other such areas.

A Destination SA steering committee with a significant committee structure should be established, with membership appointed by city management. Subcommittees will have to be appointed to address individual recommendations. For each subcommittee, it will be necessary to create the following guidelines:

- **Definition of the specific recommendation to be addressed, using the framework presented herein as an initial basis.**
- **A timeline will have to be established for implementing the recommendation, and potential costs and funding sources will have to be defined.**
- **All necessary city staff and staffing from applicable organizations will have to be enlisted in the process.**

A coordinated timeline, encompassing the efforts specific to each recommendation, should be developed by committee members and staff. Quarterly meetings should be held to measure progress for each of the subcommittees.
2.0 KEY RESEARCH FINDINGS

The purpose of this section is to summarize the extensive research conducted as part of the Destination SA analysis, upon which key study findings and recommendations are made.

2.1 Reaching Out to Visitors and Residents

A critical component of the research process involved field surveys with 836 visitors to San Antonio, as well as more than 218 residents from the area. The survey process allowed us to capture opinions and attitudes regarding the destination, factors that drew the visitor to the area, the quality of their experience, needed areas of improvement and related factors.

2.1.1 Reasons for Visiting San Antonio

As part of the survey process, respondents were asked to specify their reasons for visiting San Antonio. Results among all non-Texas visitors are presented on the following page.
2.1.2 Geographic Origin

Respondents to the intercept survey that traveled from outside Texas were categorized in terms of their region of origin, as presented below. Comparative data from the 2006 Destination SA are also included.

As noted, a slight plurality of visitors originated from the southern region of the country, followed closely by visitors from the midwest. The northeast generated 23.8 percent of non-Texas visitors surveyed, with 23.3 percent originating from the west. These data indicate a modest shift of visitor origin from the south towards the west over the past four to five years. In 2005, 37.2 percent of non-Texas visitors surveyed originated from the south, with only 11.9 percent originating from the west.

As presented above, 70 percent of non-Texas visitors surveyed traveled to San Antonio for leisure/visiting purposes. Of these, just over 40 percent were on a general vacation, 34 percent were visiting friends or relatives, 12.5 percent were in town for a special event, and 8.7 percent were on a getaway weekend. Surveys taken at the Visitor Center in 2005/06 indicated similar results, with a somewhat greater proportion of general vacation travelers as compared to recent survey results.

These data are consistent with past CVB research, and indicate that while convention activity is critical to supporting room night generation, creating product and marketing initiatives targeting the overall leisure visitor base is a necessary element of efforts to significantly increase hospitality industry impact.
In the original Destination SA, it was pointed out visitors traveling from outside Texas spend more, stay longer and are very pleasantly surprised with their experience in San Antonio. Recommendations were made to shift marketing efforts and resources to focus more outside the region, and to embrace somewhat more of a national approach. The recent survey data may provide an initial indication that such efforts are working, however additional visitor survey research over an extended period of time would be needed to verify this.

2.1.3 Rating of Specific Destination Features

In reviewing specific destination features, we again focused on the views of non-Texas visitors.

As presented above, each of the destination features reviewed received very high marks from survey respondents. In particular, the River Walk received the highest ratings, with 74.2 percent characterizing the River Walk as “Excellent”, and an additional 39.3 as “Good”. The Alamo received fairly high ratings, as did Local Museums and the Missions. The ratings for the Alamo are higher than those recorded in the 2006 Destination SA plan, and may reflect continued investment in the exhibits and efforts to enhance the overall experience.

For the remainder of the survey research summary, we segment the data into three particular visitor types:

- First time visitors to the destination,
- Leisure visitors (excluding visitor for business/conventions)
- All visitors to the destination

We believe that a comparison of particular characteristics amongst these segments provides useful insight into motivation for travel to San Antonio, areas visited while in the destination, actual experience versus anticipated, and overall destination perceptions. These results are presented below.
2.1.4 Motivation for Traveling to San Antonio

Those traveling to San Antonio were asked to identify the primary reasons for their visit. Results are summarized in the following exhibit.

Exhibit 2-4
What Characteristics Motivated You to Choose San Antonio?

<table>
<thead>
<tr>
<th>Category</th>
<th>First Time Visitors</th>
<th>Leisure Visitors</th>
<th>All Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractions</td>
<td>41%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Historic Sites</td>
<td>33%</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Family Friendly Destination</td>
<td>16%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Location/Accessibility</td>
<td>14%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>Food/Dining</td>
<td>6%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Cost/Value</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Shopping</td>
<td>6%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Arts/Cultural Offerings</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Entertainment/Nightlife</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Romantic Destination</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Outdoor Recreation</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Sports</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Resorts</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: CSL, CustomIntercept Solutions, 2009.

As noted above, the “attractions” category was the most often cited reason for visiting San Antonio. First time visitors were more likely to cite attractions and historic sites as the primary motivation to travel to San Antonio. Family friendly destination, location and accessibility of San Antonio and food/dining were also cited as important motivational factors.

Other characteristics tested as motivators to choose San Antonio scored lower. Factors such as cost/value, shopping and even art/cultural offerings and entertainment/nightlife rated comparably low in terms of motivators.

However, it would be misleading to suggest that such factors are not important to enhancing the San Antonio destination appeal. For example, we believe that art and culture are important distinguishing features for San Antonio, but that they need to be marketed as part of an attraction or historic site – for example experience the art and culture of La Villita or Market Square. Similarly, entertainment and nightlife are motivating factors in and of themselves, but tied to an attraction or feature of the destination, they can be more impactful.

We also note that characteristics such as outdoor recreation, sports and resorts rated low as motivating factors. To a large degree, the focus of the survey process on visitors located downtown may depress the results for some of these features. For example, in the 2005 research, surveys were conducted at Sea World and Fiesta Texas. The top factors motivating these visitors to select San Antonio focused on family friendly, as well as outdoor recreation/attractions and resort availability.

2.1.5 Areas to Visit While in San Antonio

Visitors were also asked which destination features they plan on visiting while in San Antonio. Results are presented on the following page.
As noted above, and consistent with the 2005 research, the Alamo and River Walk are the primary attractions identified as places the visitors will see while in San Antonio. To a lesser extent, Market Square was identified, followed by the Missions, local museums and La Villita.

Previous survey research clearly indicated that visitors surveyed at Sea World and Fiesta Texas were likely to also visit the Alamo and River Walk. In addition, a significant portion of the respondents were also likely to visit multiple attractions located outside the downtown area. For example, 31 percent of visitors to Sea World indicated they would also visit Fiesta Texas, and 41 percent of Fiesta Texas patrons would also visit Sea World.

The data reinforce the notion that the River Walk and the Alamo are “difference makers” in terms of competing for the national and regional leisure traveler. Also, visitors to SeaWorld and Fiesta Texas can be considered a somewhat distinct and highly impactful visitor segment, yet one that in many cases is also swayed by key downtown amenities.

2.1.6 Actual Experience Versus Anticipated

Respondents were asked to characterize their actual experience while in the San Antonio destination versus what they had initially anticipated. Results are summarized below.

Exhibit 2-5
Visited Destination Features

Exhibit 2-6
Actual Versus Anticipated Experience

Source: CSL, Custom Intercept Solutions, 2009.
A significant share of responses across all measures of visitor base report a much better than expected experience in San Antonio versus what they anticipated. Between 62.3 and 67.9 percent of respondents indicated that their experience was much or somewhat better than anticipated. Even with the exposure that San Antonio has enjoyed over the years, it is still difficult to over promise when marketing the destination.

2.1.7 Overall Perceptions of San Antonio

Respondents were also asked to characterize their overall perception of San Antonio as a destination.

Exhibit 2-7
Overall Perception of San Antonio as a Visitor Destination

Responses among the visitor types reviewed were very positive, with between 76.8 percent and 81.1 percent stating that their perceptions of San Antonio were very positive. Conversely, very few respondents characterized their perceptions as neutral or negative. These types of responses are very consistent with past survey data.

In a related but separate question, visitors were also asked to comment on the need to improve specific characteristics of the market. Based on the survey results, no single issue or group of issues rose to a level that indicates a significant challenge for attracting visitors to the destination. However, public transportation was cited most often, mentioned by 45.2 percent of all visitors as an issue. At this level of response, attention should be paid to how visitors access the existing and emerging attraction base within the community. Other characteristics of the destination, including attractions, shopping/retail, restaurants, hotels and cultural offerings were cited as in need of improvement by less than 10 percent of the respondents.

2.1.8 Summary of Visitor Intercept Surveys

The survey data generated for this study clearly demonstrate the attractiveness of the San Antonio destination, both in terms of an abundance of characteristics that motivate a visitor to select San Antonio, and in terms of providing a better than expected experience. This is a very powerful combination, and supports the notion that future investment in visitor industry infrastructure will be beneficial in continuing a pattern of success, and of preventing a slow erosion in the visitor industry that can often accompany neglect of the visitor industry product.

The appeal of the San Antonio destination rises from the ability to offer a breadth of attractions (from resorts and theme parks, to historically significant features, to the River Walk) along with a history and culture that is highly unique and authentic.

The objectives suggested by this research for future planning involve protecting the assets that exist, and investing in new ways to attract visitors or enhance the length of stay and frequency of visit from existing customers. Recommendations presented herein will address both of these areas.
2.2 The View from Travel Writers

As part of our research, Internet-based surveys of more than 70 national travel writers were conducted. A variety of issues were explored with the respondents, focusing on perceptions of San Antonio as a visitor destination. A summary of findings is presented below.

2.2.1 How Do Readers Perceive San Antonio?

Travel writers were first asked to describe how their readers perceive San Antonio as a travel destination. The following exhibit presents some of the more frequently-mentioned characteristics.

As presented, impressions of San Antonio as a visitor destination tend to gravitate toward the River Walk and the area’s unique history and culture. With respect to growing the level of visitation to San Antonio, we make two observations. First, continued investment in the key assets of the River Walk, Alamo and related cultural features is critical to delivering on expectations of visitors who travel to San Antonio. Second, the assets of the destination outside the downtown, particularly Sea World (drawing visitors from a broad geographical area), Fiesta Texas (drawing from more immediate area), and the various resorts (drawing from a national base) are not significantly referenced by travel writers, and therefore may represent an opportunity to better leverage these assets to draw new visitors.

Specific comments collected as part of this research process include the following:

- Lots of coverage of the River Walk, little about any other attraction.
- One of the four most European cities in USA (San Francisco, Boston, Santa Fe, San Antonio).
- People know about River Walk and the Alamo, which are both great places.
- A slow-paced city with unique experiences and good shopping.
2.2.2  **Strengths of the Destination**

We also asked travel writers to elaborate on the strengths of San Antonio as they relate to the visitor industry. The following exhibit summarizes responses gathered on this topic.

**Exhibit 2-9**

**Strengths of the San Antonio Destination**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>History/Missions</td>
<td>39%</td>
</tr>
<tr>
<td>River Walk</td>
<td>37%</td>
</tr>
<tr>
<td>Food/Cuisine</td>
<td>31%</td>
</tr>
<tr>
<td>Friendliness</td>
<td>24%</td>
</tr>
<tr>
<td>Culture</td>
<td>18%</td>
</tr>
<tr>
<td>Alamo</td>
<td>14%</td>
</tr>
<tr>
<td>Art/Music/Architecture</td>
<td>14%</td>
</tr>
<tr>
<td>Festivals</td>
<td>10%</td>
</tr>
</tbody>
</table>

Note: Data is based on 51 responses. Values do not add to 100 percent, as several people provided more than one example.
Source: CSL interviews, 2009

San Antonio’s top strengths as a visitor destination include its history and culture, the River Walk experience and food/cuisine. The overall friendliness of the people in San Antonio was also identified as a strength, as well as the many festivals taking place throughout the year (i.e., Fiesta, Luminaria, etc.). These characteristics create a foundation for what is a highly unique destination. Some of the comments collected in this analysis include the following:

- A fusion of different cultures that preserves and offers the best of the mix.
- Historically, River Walk, focus on heritage.
- It’s a friendly city and easy to explore on foot.
- The people. The river. The art. The heritage. The food. The funky Blue Star district.

We also asked travel writers to comment on what they view as authentic characteristics or experiences associated with San Antonio that could be marketed to visitors. The River Walk, culture and food/cuisine were identified as primary unique characteristics. History/missions and the Alamo were also referenced.

This blending of assets suggests that the San Antonio experience provides visitors with a very unique and diverse experience not always available in other destinations.

2.2.3  **Weaknesses of the Destination**

Travel writers were also asked to expand on what they view as weaknesses of the destination from the perspective of the traveling public. Exhibit 2-10 highlights their thoughts on this topic.
A sampling of comments collected is presented below.

- The heat in the summer, but I doubt you can change that.
- Air access and affordable flights.
- Humidity and in some places cleanliness.
- People still perceive that it may be unsafe and hot and unpleasant in summer.

2.2.4 Suggestions for Improvement

Travel writers were also asked to identify improvements to the destination that they would suggest to enhance its appeal to the traveler. The majority of comments collected focused on maintaining the heritage and authenticity of the market, maintaining cleanliness and safety, and getting the word out about what the city has to offer. A sampling of some of the ideas shared is provided below.

- As a freelance writer and photographer who has traveled to 55 countries in a decade, I can tell you that I've never felt more welcome than in San Antonio.
- Focus on the heritage and authenticity.
- Food. Talk about the food.
- Increase visibility on a national scale.
- Tell Mexicans what San Antonio has that they cannot find at home.
- Nature and outdoor activities, surrounding ranches, history and culture should be stressed.
- Perhaps more could be done in helping visitors find off-the-beaten path, local favorite restaurants and attractions to widen the visitor experience.
Push the two annual festivals rather than River Walk, River Walk, River Walk.

As with all cities and attractions, the cleaner the better, and the safer the better.

Buy the attractions across from the Alamo and turn them into something more authentic and experiential.

These themes will be addressed as our findings and recommendations are developed.

### 2.3 The Event Planner’s Perspective

Convention and tradeshow attendees represent an important segment of the overall visitor community for most markets. As part of our research, detailed surveys were completed with meeting planners in order to assess the attractiveness of the San Antonio destination relative to comparable and competitive markets. In an effort to evaluate current perceptions of San Antonio as an event destination, Internet-based interviews were completed with 30 planners of nationally-rotating conventions and trade shows with a history of bringing events to San Antonio.

#### 2.3.1 Strengths of the Destination

Event planners were first asked to comments on characteristics of the market that they believe are its primary strengths.

The following exhibit summarizes their perceptions.

**Exhibit 2-11**

Strengths of the San Antonio Destination

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Package</td>
<td>60%</td>
</tr>
<tr>
<td>Staff/Service/Friendliness</td>
<td>50%</td>
</tr>
<tr>
<td>Entertainment/Atmosphere</td>
<td>50%</td>
</tr>
<tr>
<td>Walkability</td>
<td>47%</td>
</tr>
<tr>
<td>Food/Cuisine</td>
<td>20%</td>
</tr>
<tr>
<td>Convention Center</td>
<td>20%</td>
</tr>
<tr>
<td>Weather</td>
<td>17%</td>
</tr>
</tbody>
</table>

Note: Data is based on 30 responses. Values do not add to 100 percent, as several people provided more than one example.

Source: CSL interviews, 2009

To be successful in the increasingly competitive convention and tradeshow industry, a market must offer a first-class convention center, sufficient nearby convention quality hotel rooms and an entertainment and visitor amenity package that event attendees will find attractive to visit. As indicated above, many of these components seem to be in place in San Antonio. In fact, the hotel package was noted by 60 percent of those surveyed as a strength of the destination. The development of the Grand Hyatt (which opened in March 2008) has been an important addition to enhance the visitor industry in San Antonio. Walkability, cited in our national research as increasingly significantly in importance within the convention site selection framework, is also mentioned frequently as a strength of the destination.
Comments collected in this analysis include the following:

- The number of hotel rooms adjacent to the convention center is good for our attendees.
- The many hotels located near the convention center prevent the necessity of using shuttle buses to bring people to the center.
- River Walk and easy access to restaurants/bars.
- Number of first-class large hotels within easy walk of the convention center.
- Size and functionality of the convention center -- lots of flexibility.
- Professionalism and outstanding customer service provided by hospitality industry in the city.

2.3.2 Weaknesses of the Destination

Event planners were also asked to describe weaknesses of the destination from the perspective of their event(s) and attendees. The following exhibit highlights their thoughts on this topic.

These comments highlight what has been an emerging issue in San Antonio for several years; specifically concerns regarding increasing prices to hold events in the destination. As the San Antonio convention product has improved over the years, price points for hotels have also tended upwards. Events that have been held in San Antonio in years past seem to find the pricing increases difficult for their membership to accept, perhaps with these planners still considering San Antonio as 2nd tier, low cost destination.

Given the improving San Antonio product, the destination is in a position to continue changing the mix of business it attracts, focusing more on high-end rotating national events, and less so on events that tend to draw a more price-sensitive attendee. While pricing is typically an issue with meeting planners in any survey of this type, it is likely that as the mix of convention business in San Antonio evolves, pricing as a concern will lessen in importance.
convention and attendees, there is room for improvement to numerous high-visitor traffic areas and amenities within the community. These and other issues will be addressed later in this report.

2.4 Analysis of Competitive and Comparable Markets

This section provides a review of various physical characteristics and resources of facilities and communities around the country that are competitive with or comparable in some way to San Antonio. These data are useful in understanding how similar markets are performing within current industry conditions, the level of space provided and other important visitor industry characteristics.

2.4.1 Ranking of Competitive and Comparable Markets

We begin with a presentation of the results of a survey conducted by CSL in 2007 with approximately 150 planners of large nationally-rotating convention and tradeshow events. Those questioned were asked to rate a set of major markets on a scale of one through five, with one representing the least desirable rating (in terms of the market’s desirability and ability to successfully accommodate their event) and five representing the most desirable rating.

DESTINATION SA UPDATE
Strategic Vision for Visitor Industry Growth in San AntonioPage 27
The following exhibit presents a summary of results among all respondents.

### Exhibit 2-13
**Ranking of Competitive and Comparable Markets – National Conventions and Tradeshows**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orlando, FL</td>
<td>3.83</td>
</tr>
<tr>
<td>San Diego</td>
<td>3.74</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>3.41</td>
</tr>
<tr>
<td>Chicago</td>
<td>3.36</td>
</tr>
<tr>
<td>Atlanta</td>
<td>3.25</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>3.19</td>
</tr>
<tr>
<td>Denver</td>
<td>3.12</td>
</tr>
<tr>
<td>New Orleans</td>
<td>3.09</td>
</tr>
<tr>
<td>San Antonio</td>
<td>3.07</td>
</tr>
<tr>
<td>San Francisco</td>
<td>3.00</td>
</tr>
<tr>
<td>Boston</td>
<td>2.93</td>
</tr>
<tr>
<td>Phoenix</td>
<td>2.84</td>
</tr>
<tr>
<td>Houston</td>
<td>2.60</td>
</tr>
<tr>
<td>Miami Beach</td>
<td>2.55</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>2.46</td>
</tr>
</tbody>
</table>

Average = 3.11
Median = 3.10

Note: Data represented includes all organizations interviewed
Source: CSL Interviews, 2007

On average, the competitive and comparable markets reviewed received an overall rating of 3.11. San Antonio's rating of 3.41 ranks toward the top of the competitive and comparable set, above markets such as Las Vegas, Chicago, Atlanta and Washington DC. Only Orlando and San Diego (both of which are highly-regarded visitor and convention destinations) ranked ahead of San Antonio. The data suggest that San Antonio is viewed as a competitive first-tier destination, and that efforts to increase convention activity could be effective provided adequate facilities were available in terms of size and quality.

---

### 2.4.2 Comparison of Convention Center Exhibit Space Levels

We have also prepared a comparison of the total amount of exhibit space offered at the primary convention facility within a select set of competitive and comparable markets. Data is presented in the following exhibit.

#### Exhibit 2-14
**Comparison of Exhibit Space**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orlando, FL</td>
<td>2,055,100</td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>862,000</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>726,600</td>
</tr>
<tr>
<td>Anaheim, CA</td>
<td>703,000</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>538,700</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>525,700</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>475,000</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>426,600</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>418,800</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>388,000</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>350,000</td>
</tr>
<tr>
<td>San Diego, CA (1)</td>
<td>300,000</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>280,000</td>
</tr>
<tr>
<td>Miami Beach, FL</td>
<td>253,200</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>246,100</td>
</tr>
<tr>
<td>Charlotte, NC</td>
<td>150,000</td>
</tr>
<tr>
<td>Fort Worth, TX</td>
<td>125,000</td>
</tr>
<tr>
<td>Austin, TX</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Median = 520,900

(1) A facility expansion is currently being considered.
Source: facility floorplans, management, and industry publications, 2010

As presented, Orlando’s Orange County Convention Center incorporates the largest amount of exhibit space among the competitive and comparable facility set reviewed, with more than two million square feet. The Austin Convention Center incorporates the least, with approximately 246,000 square feet of exhibit space. The average competitive and/or comparable facility offers approximately 636,000 total square feet of exhibit space. In terms of contiguous space, an average of nearly 492,000 square feet is provided.
The Henry B. Gonzalez Convention Center currently provides approximately 426,600 total square feet of exhibit space (all of which is contiguous), ranking in the bottom third of the reviewed facilities.

### 2.5 Interviews with River Cruiser Operators

Rio San Antonio Cruises operates a total of 40 barges traveling along the downtown and northern stretches of the River Walk, transporting an estimated 1.5 million people each year. As part of our analysis, interviews were conducted with 26 operators of these River Taxi Cruisers. Given their frequent and direct interaction with visitors to the destination, their feedback is invaluable to our research efforts.

#### 2.5.1 Strengths of the Destination

We first asked for input as to the strengths of San Antonio as a visitor destination. The following exhibit summarizes their perceptions.

![Exhibit 2-15: Strengths of the San Antonio Destination](image)

- **Friendliness**: 46%
- **History/Culture**: 42%
- **Cuisine**: 26%
- **Variety of Attractions**: 21%
- **Weather**: 17%
- **Amigo Program**: 17%

Note: Data is based on 24 responses. Values do not add to 100 percent, as several people provided more than one example.

Source: CSL Interviews, 2009

The friendliness of San Antonian’s was the most frequently mentioned strength of the community, based on feedback provided by river cruiser operators. The area’s history and culture ranked a close second, followed by cuisine and dining options. Other positive aspects of the community include the variety of attractions, weather and Centro San Antonio’s Ambassador Amigo program.

To some degree, improvements associated with the River (both north and south) can build on the variety of attractions noted above. Additionally, the Culinary Institute of America at Pearl Brewery will enhance the market’s visibility in terms of cuisine that the area is famous for.

#### 2.5.2 Weaknesses of the Destination

River taxi operators were also asked to provide insight with regard to weaknesses of the destination from the visitor’s perspective. The following exhibit highlights their views.

![Exhibit 2-16: Weaknesses of the San Antonio Destination](image)
Perceptions related to the homeless population and crime were cited as the top weaknesses of San Antonio as a visitor destination. Public transportation issues, lack of public restrooms and signage were each cited in 23 percent of the responses, and 19 percent cited poor lighting along the River Walk. As discussed earlier, projects including the new Haven for Hope and the West Side Multimodal Center should be considered as part of a downtown enhancement that may address several of these issues.

Comments collected in this process included the following:

- Public transportation is needed from downtown to the "outskirts" or to the airport.
- Indoor waiting areas are needed at downtown bus stations.
- Lack of signage downtown and along the River Walk.
- Growing population of homeless and panhandlers.
- Lack of lighting along the River Walk.

- Need for additional public restrooms and water fountains

2.5.3 Suggestions for Improvement

Finally, River taxi operators were asked to provide ideas that could enhance the destination’s success in the visitor industry. A variety of suggestions were collected. A sampling of some of the ideas shared is provided below.

- Actively promote attractions and history located off of the River Walk.
- Promote free outdoor events such as concerts at Main Plaza or movies at HemisFair Park.
- Art is underrepresented and lacking downtown and on the River.
- Fireworks on the 4th of July.
- More big cultural events equal to that of Fiesta or the Holiday River Parade.
- The hours of operation of the Alamo need to be extended.
- Everyone loves a parade. River parades are no exception...add more.
- Year round lights in the trees along the River Walk.
- Increase police presence downtown and on the River Walk.
- Frequent festivals and redevelopment in HemisFair Park.

2.6 A Conversation with Area Hotel Concierge Staff

Visitor industry professionals within the San Antonio area (i.e., the concierge staff at area hotels, restaurant staff, CVB staff, etc.) can provide direct feedback regarding the opinions and attitudes of visitors to the destination. These professionals are on the “front line” of the visitor...
industry, and their feedback is very useful. As part of our analysis, interviews were conducted with concierge staff at several major hotel properties within the area.

Concierge professionals were first asked to identify the attractions that visitors most often ask about. This data can provide insight into how the visitors currently perceive the amenities offered in the San Antonio destination. Not surprisingly, the River Walk and the Alamo are often inquired about; however, a variety of other attractions (including Market Square and the Missions) are also frequently sought out by visitors.

To some degree, the location of the hotel at which the staff is employed appears to have an impact on this. Resort hotels located outside downtown tend to draw high-end leisure visitors, group and related travelers. Concierge staff at these hotels reference Sea World, Fiesta Texas and the Zoo as attractions that guests request information about to a much greater degree as compared to downtown hotels. While the downtown and outlying hotels do not compete in totally separate markets, there are distinct features to the components of room night demand.

Visitor industry professionals were also asked to indicate the local attractions that they most often recommend to visitors. The top attractions recommended to visitors include not only the Alamo, River Walk and Sea World, but other important features of the destination such as the King William Historic District, Market Square, Missions, museums, the Botanical Gardens and the area’s many festivals and celebrations. It will be important, going forward, to continue to promote these and other “authentic” characteristics of San Antonio that cannot be found in other markets.

Local hotel concierge staff were also asked to identify the attractions that visitors cited as a disappointment. This type of data is useful in assessing areas in which the destination is not meeting the expectations of its visitors. Comments collected centered around topics involving a lack of downtown retail, parking concerns and the homeless population. Other noted recommendations that could improve the visitor experience include:

- An additional visitor’s center in Market Square.
- We need to attract more stores to our downtown area, to fill up Houston Street!! Make the Downtown more attractive, to keep the visitor ENCHANTED!!
- Parking, more restaurants on the River Walk.
- More kid-friendly things to do downtown.
- Information screens (similar to ATM’s) that people can look up information on.
- Improvements to Fiesta Texas (potentially creating a presence unique to the character of the destination).
2.7 Convention & Leisure Travel Trends

The success of a destination in attracting convention and leisure visitors can be partially attributed to the characteristics of the industry as a whole. In order to assess the current and future strength of the market with regard to San Antonio, it is important to evaluate the industry nationwide.

2.7.1 Convention Industry Trends

Over the past ten years, challenges to the viability of the convention and tradeshow business model have been put forth. Three nationwide economic events have led to periods of retraction or growth moderation in the convention industry since 1987. During these periods (early 1990’s, early 2000’s and today), companies and associations cut spending on discretionary expenses including those for conventions. It is important to note that the recessionary period in the early 2000’s carried with it the dramatic impacts of decreased demand for air travel due to the particular aspects of the 9/11 events. Similarly, the overall magnitude of the current economic downturn, often referred to as the “great recession”, has had effects that are distinct and more dramatic as compared to previous recessions.

As a result, the convention industry is experiencing downturns that are more significant than in previous recessionary periods. For comparison, the more “traditional” (yet significant) recession of the late 1980’s resulted in much less severe impacts on various measures of the convention industry.

To further explore the relationship between the convention industry and overall economic conditions, we present annual changes to S&P 500 earnings-per-share data along with the previous measures of convention performance.

In terms of event attendance, the convention and tradeshow industry experienced the worst of the economic downturn in 2009, with measures of attendance falling by between eight and ten percent over 2008 measures. The greatest decline in earnings per share data for the S&P 500 took place one year earlier, falling by an estimated ten percent in 2008. With respect to the linkage between the convention/tradeshow industry and the overall economy, this comparison further highlights the parallels between the two and is again indicative of the phenomenon whereby exhibition industry performance tends to follow a similar, although a slightly lagging pattern to that of the U.S. economy.

Today, there are several conditions that are negatively impacting convention and tradeshow activity nationally. First, the overall economic condition has led corporations to consider carefully how they are participating in events. Decisions to reduce the number of personnel sent
to industry conventions, and to reduce the number of conventions that the company participates in, are commonplace during economic downturns. Secondly, increases in travel costs and consolidation in airline routes are likely to have an impact on event attendance.

There is also a great deal of current speculation as to what an economic recovery will look like. It is very possible that Gross Domestic Product (“GDP”) will grow around one to two percent nationally for the foreseeable future, compared to the two to three percent annual growth rates common over the past ten years. The more modest GDP growth rate could dampen annual growth in various convention and tradeshows demand measures.

Surveys of corporate executives indicate that the role of the convention and tradeshows in the sales, marketing, training, staff motivation and customer relations process will remain important into the future. If projections of future economic growth are generally accurate (even at modest levels), and given the continued viability of the convention model as a means of conducting key elements of a successful business, it is likely that while the convention industry will continue to stabilize, with slight increases through the remainder of 2011.

### 2.7.2 Leisure Industry Trends

Travel and leisure industry macro trends, and measures of travelers’ intentions to travel, can provide insight into future growth patterns for individual markets.

Since February 2008, the US Travel Association has conducted surveys to create the Traveler Sentiment Index (TSI). In addition, TravelHorizonsTM has conducted research which measures the current status of behavior, intentions, values and lifestyles for over 20,000 US adult leisure travelers.

Key findings of the latest survey and TSI data include the following:

- While the number of leisure domestic trips decreased in 2008 and 2009, and domestic business trips have decreased each year since 2006, both increased in 2010 (by 3.5 percent and 3.7 percent, respectively). This equates to an increase in domestic leisure trips of approximately 50 million. Increases of between 2.0 and 2.5 percent annually are forecasted to continue through 2014.
- Leisure travel intentions show an increased propensity to travel in the summer of 2009 compared to the same period in 2008. Slight increases were also realized in 2010 compared to 2009.
- Primary reasons mentioned for not traveling have consistently been related to the state of the economy.
- As a sign of improvement in the past few surveys, leisure traveler financial/income issues have been cited as less of a factor in making travel decisions. Major economic factors including credit card debt, financial bailout, value of the dollar, real estate values and investment portfolios appear to exhibit less influence on travel decisions. Primary factors influencing travel decisions relate to the price of gasoline and the cost of airfare.

Combined, these data clearly indicate that recent and significant decreases in leisure travel have moderated, and a slow pattern of growth has emerged.
3.0 UPDATED DESTINATION SA FINDINGS & RECOMMENDATIONS

The research conducted as part of this study has been used to prepare the following findings and recommendations. Throughout the Destination SA update process, our objective is to identify initiatives and investment designed to:

- Enhance the ability of the San Antonio destination to attract leisure travelers and conventions.
- Increase the ability to sustain and enhance elements of the destination that are unique and authentic.
- Increase the economic impact delivered to the community from the leisure and convention industry.

As with the original Destination SA, the recommendations contained herein cannot be implemented by a single entity or agency. In fact, participation from a variety of public and private sector entities led by the city will be necessary to realize the potential of the overall Destination SA efforts. Specific findings and recommendations are presented below.

3.1 Creation of a Downtown Gateway for the Southern Stretch of the River

Significant investment has been made, and continues to be made, in development along the northern stretch of the San Antonio River. We fully expect that this investment will over time successfully extend the River Walk experience beyond the existing downtown area, and will do so in a way that is unique, offering the ability to experience the San Antonio destination over an extended period of time. Recommendations are presented later in this section regarding ways to significantly expand the visitor experience along the northern River stretch.
With respect to the southern stretch of the River, plans are now underway for $20 million in improvements, including the development of mission portals, children’s playground, island habitat area, overlooks, pedestrian bridges, pocket parks/picnic areas, hiking and biking paths and other various enhancements. The majority of this investment takes place south of Alamo Street beginning near the Blue Star Arts Complex.

The challenge that may be posed by the current planning for the southern stretch, and the potential opportunity that exists, relates to the area of the River from downtown (particularly beginning at Nueva Street) to the Blue Star complex. The distance of approximately one mile from Nueva to Blue Star can be walked, but it is a distance that exceeds a typical visitor walking radius.

The challenge posed then is drawing visitors from the downtown area to the southern stretch (near Alamo Street) that affords an opportunity to interact with the River. The opportunity that we believe should be carefully explored is to create ways for visitors and residents to interact with the River starting at Nueva Street, and continuing south to Blue Star.

The vision encompasses several elements:

- A new River Center or Mission Reach Gateway developed at Nueva Street on the east side of the River. The River Center would offer rentals for canoes, kayaks, bicycles and other transportation options. The Center would also serve to introduce visitors and residents to the various unique aspects and attractions of the southern stretch of the River Walk, the history of the Missions and the natural heritage of the River to the Lower Basin.

- The Gateway would offer close proximity to La Villita and HemisFair Park along Nueva Street. Opportunities exist to develop the streetscape along this thoroughfare to encourage pedestrian traffic.

- Potential housing and other mixed use development could be incorporated into a project at Nueva Street on the River.

- Near Blue Star, a terminus would be developed prior to the elevation change at East Guenther Street. Visitors and residents could then access Blue Star, Guenther House and Steves Homestead Museum, and could continue their journey south on the River via bicycle, canoe, kayak or foot.

- A change in City ordinance would be required to allow for this type of activity along the southern stretch of the River. And, currently, River South Management Committee is working with Parks, City Attorney’s Office and Parks Police on these amendments.

An aerial image of the site area including the Gateway is presented below.

![South River Gateway and Linkages to Downtown](image)

The Gateway concept, as described, would allow a visitor or resident to spend a full day along the southern stretch of the River, enjoying an
experience that is both unique to San Antonio, and very distinct from the experiences enjoyed within the downtown River area or the northern stretch.

To pursue this concept further will require several efforts. As noted above, reconsideration and rewriting of the city ordinances regarding pedestrian use of the southern stretch of the River will have to take place. Current ordinance does not allow for canoe or kayak use in this area.

Secondly, we recommend conducting a visitor and resident hands-on focus group, with the goal of exposing participants to the River experience described above to solicit feedback as to the desirability of such a project. Participants would actually travel via canoe along the River to Blue Star, with a lunch session to solicit feedback.

### 3.2 Cultural Tourism and the Northern River Stretch

The importance of the northern stretch of the River to creating a unique San Antonio experience has been recognized, and major investment has taken place. The City has completed the River North District Master Plan, inclusive of a comprehensive form-based zoning code. Certainly private sector development will materialize over time, particularly as national capital markets begin to loosen.

Beyond the expected private sector development (residential, restaurant, hotel, etc.), we believe that it will be important to create various program elements along the northern stretch to maximize its use and attractiveness.

In the original Destination SA report, we discussed various concepts associated with hands-on activities specific to the culture and history of the San Antonio area. Visitors and residents would travel up the River to a terminus, at which point an indoor/outdoor facility would provide opportunities to view and participate in authentic craft, artwork, historical sessions and related programs. As part of this Destination SA update, we have refined the specific concepts that should be pursued to include the following:

- Work with the Southwest School of Art to utilize and expand on the one or two day sessions or workshops currently offered to provide participants the opportunity to learn from visiting master artists and local artists that are associated with the many aspects of art unique to the San Antonio community.
- Work with the 30,000-square foot Culinary Institute of America at Pearl Brewery to create a schedule of one to two day classes focusing on authentic southwest/San Antonio cuisine.
- Work with the San Antonio Museum of Art to create educational sessions on the art particular to the Museum and to the San Antonio area. The existing weekend workshops sponsored by the Museum could be expanded to meet the needs of added demand that could materialize if this type of program is marketed.
- Review transportation options to link the River north area to the downtown. This could include an eventual urban rail link, expansion of the VIA transit system or contracting with a private transportation provider.
- Discuss involvement in providing formal hands-on experiences with management of the Zoo and the Witte Museum. The South Texas Heritage Center and exhibits like A Wild and Vivid Land: Stories of South Texas offer a significant opportunity for visitors to engage in the region’s unique history and heritage.

In essence, the notion of providing opportunities to link the River experience to cultural opportunities unique to San Antonio is well worth exploring. Visitors would use the River Taxis or Cruisers to travel along the
River to the destinations described above to create a single or multi-day experience.

Further, the concepts described above could be packaged and marketed as highly unique personal development experiences. Such packages would also incorporate opportunities for unique cultural experiences throughout the overall destination. Such an effort would take advantage of an increasing focus on “creative tourism”. Greg Richards, Crispin Raymond and Julie Wilson have written extensively on the topic of creative tourism. They note that:

The concept of ‘creative tourism’ is continuing to develop. In 2006, the “Creative Cities Network” endorsed by UNESCO, agreed on the following working definition of creative tourism: “Creative Tourism is travel directed towards an engaged and authentic experience, with participative learning in the arts, heritage, or special character of a place. It provides a connection with those who reside in this place and create this living culture.”

The San Antonio CVB has already begun to take advantage of this phenomenon, as demonstrated on the following web page.

Cultural Tourism is the travel industry's term for describing travel and visitation activities directed at an area's art, heritage, recreational and natural resources. It is said to be the fastest growing sector of the travel industry. Based on a recent study conducted by the U.S. Cultural & Heritage Tourism Marketing Council, cultural tourists contribute more than $192 billion annually to the U.S. economy. In some cases, spouses and guests of attendees at conventions could take advantage of these opportunities as well.

Development along the northern stretch of the River as described above could further take advantage of these trends by enhancing the hands-on flavor of the cultural or creative experience in San Antonio. Ultimately, if there is indeed a greater demand for the unique and authentic cultural and creative experience as has been suggested, destinations such as San Antonio could be very well positioned to benefit.
Efforts to establish a well defined set of cultural tourism experiences could also be part of the community-wide discussions regarding the Broadway Cultural Corridor, from the Museum of Art to the McNay Art Museum, with stops including attractions like Botanical Gardens, the Pearl, Brackenridge Park, the Witte and the Zoo. While a distance of this magnitude does not lend itself to a distinct, marketable visitor industry asset, specific zones or districts (such as the northern stretch of the River described here, or the potential Broadway Cultural District described later) can contribute the base of visitor industry assets.

3.3 Ring of Residential

Residential is a critical component to a successful downtown. The number of downtown San Antonio residents today is approximately 7,000. This is relatively low compared to many similarly sized downtown areas, negatively impacting downtown vibrancy, particularly at street level.

To help address downtown housing issues, Mayor Castro charged the Centro Partnership with creating a strategy that included seeking additional downtown housing. The recommendations contained in the City Center Strategic Framework presented in October of 2011 should be aggressively pursued. In additional we offer further observations and suggestions, presented herein, for better positioning downtown as a residential destination.

An important economic or return-on-investment issue relates to the retail price that can be charged for housing (rental or purchase) relative to the cost of development. Land prices in the downtown are at a level oftentimes unsuited to providing a necessary developer financial return on housing projects.

To address this, it will be important for housing units to be “right sized” to allow for a marketable price point while providing a necessary return on equity. Secondly, it is unlikely that significant areas close to the center of town will provide suitable land availability for housing development. As a result, we describe the areas that should be targeted for housing as a “ring of residential”. Representatives of the Downtown Alliance are highly focused on housing development, and have identified several areas that could provide opportunities for development. Based on our reviews and input from the Downtown Alliance, several housing opportunities should be considered:

- Housing development opportunities are an important part of the overall HemisFair Park master planning process currently underway. The addition of Refugio Place and HemisView along César Chávez Boulevard will help activate the area.
- The River to Market Square corridor discussed previously herein could provide targeted areas for residential development. Residential projects are critical to the eventual development of this area.
- The northern stretch of the River will also include housing, like the recently opened 1221 Broadway Lofts, as discussed in the 355-acre River North Master Plan.
- The area to the east of I-37 could provide an opportunity for housing, particularly with the development of the Vidorra. Opportunities for housing exist along a Commerce spine from I-37 to Hackberry Street, particularly at the former Friedrich Air Conditioning building.
- Areas for housing development exist to the west of I-35, encompassing the UTSA area along Frio north to the University Health Center.
- Continued development of housing to the south along Flores south of Alamo, near the vicinity of the Blue Star Arts Complex. Recent developments include the Cevallos Lofts and St. Benedicts.
- Planned housing development at Pearl Brewery could provide an additional 600 units.
Ring of Downtown Residential Development

1. Commerce Street Corridor
2. Durango Street (fronting HemisFair Park)
3. Flores Street
4. River to Market Square Corridor
5. UTSA Area
6. River North District
7. Pearl Brewery

- Continue to provide current market information on downtown housing to brokers, retailers, employers, developers, appraisers, lenders and other interested parties.
- Develop media articles to highlight downtown’s inviting and vibrant residential living options.
- Implement a campaign to encourage people to live downtown (for example, Denver’s “Center Yourself” in Denver initiative).

Given the difficulties in assembling land for development in the downtown area, the concept of a not-for-profit development corporation should be considered. This concept is described in greater detail below.

3.4 Improvements to Alamo Plaza

The Alamo attracts a reported 2.5 million visitors annually, and represents a signature historic feature for the San Antonio destination. The uniqueness of the Alamo from a national historic perspective has certainly generated visitor interest, and has been the direct or indirect source of significant room night generation.

Although current research results indicate improvements in how the Alamo is viewed by visitors, data generated for the original Destination SA indicated a potential for visitors to view the quality of the Alamo experience as somewhat less than expected. This may be have been due in part to the somewhat limited area (approximately 4.2 acres) in which the mission and surrounding gardens currently occupy. Today, the Alamo experience centers on the chapel, while the plaza encompasses a significant element of history. Based on our review of the site area, and discussion with Alamo and visitor industry representatives, we have developed several suggestions for better leveraging the unique Alamo history and improving the overall Alamo experience, as detailed below.

- The Alamo Plaza road linking East Houston and Crockett, located directly in front of the Alamo, should be removed and the roadbed
incorporated into an expanded plaza area. With the improvements described herein, the expanded plaza area would allow for a more inviting front entrance to the Mission, and could provide space to construct an additional barracks, gateways, mission walls and/or other structures authentic to the Alamo area. Such structures would allow for presentation of a greater share of the overall historical collection maintained by the Daughters of the Republic of Texas.

- Davey Crockett’s last stand took place along a wooden exterior fence jutting southeast from the southeast corner of the Mission. A dramatic element in the history of the site is now a highly nondescript pedestrian area. Consideration should be given to taking advantage of a larger plaza area to recreate this structure, allowing visitors to “reenact” the last stand. The more official reenactments taking place each month could take advantage of the enhanced historical presence of the structure.

- Serious consideration should be given to closing Alamo Street between Crockett and Houston Street. While there may be traffic implications that have to be addressed, the resulting footprint would tie the Alamo site closer to historic assets associated with the Alamo that exist closer to the River. This would also address concerns about pedestrian safety in a congested traffic area. In addition, a close link between the River and the Alamo Plaza, two important visitor assets, could be created. Some form of European style traffic circle could be considered at the current intersection of Alamo Street and East Crockett Street.

- Acequia’s were a critical element of mission life, providing an irrigation system for the community. At the Alamo, an acequia ran generally along the sidewalk on the west side of Alamo Street. A water feature could be created to reflect the acequia, providing a greatly enhanced atmosphere that draws from a highly unique and authentic feature of the area.

- A model of the downtown San Antonio area as it existed during the battle of the Alamo is on display at the Rivercenter Mall. If added facility space were constructed as part of the Alamo Plaza expansion (structures authentic to the time of the battle), the model, owned by the Witte Museum, could be displayed “on-site” as opposed to the adjacent mall.

- An overall visual enhancement of the Plaza should be performed. This would include interpretive significant signage and landscaping efforts.

In essence, efforts should be undertaken to enhance the Alamo experience, and the vision for these enhancements should lead to a dramatic addition to the historical connection of the site to the visitor. One of, if not the signature asset for the entire destination, deserves to be enhanced as a highly-unique and culturally significant asset for the city, state and the country. By doing so, potential gaps between expectations and reality associated with the Alamo can be fully addressed. Many of these recommendations are consistent with a 1994 Alamo Plaza Study Committee report. And, the current downtown traffic study, may also provide support for these transportation-related recommendations or recommend alternates that can enhance the public space around the plaza for pedestrians.

The following map depicts the Alamo site area, highlighting the structures associated with the original mission site. Note the fence structure, barracks recreation, street closings and acequia representation – all designed to create an enhanced Alamo experience.
### 3.5 Market Square and the Linkage to the River

A key part of the growth of the visitor industry product in San Antonio will take place at street level in the downtown area. One opportunity for development encompasses a linking of the River Walk with Market Square, one authentic attraction to another.

The area bounded by Dolorosa to the south and Commerce to the north is currently underdeveloped, and does not provide for an inviting linkage between Main Plaza and the Market Square area. Over time, development in this corridor should be pursued with the objective of:

- Creating a mixed-use residential and retail environment.
- Creating well landscaped pedestrian linkages.
- Creating an urban neighborhood atmosphere that visitors can also enjoy.

This development vision is consistent with Civic Center Master Plan completed by the City in 1993.

The plaza area rising from the River to Main Plaza provides a “jumping off” point for visitors and residents to begin a journey to the Market Square area, inclusive of Museo Alameda. In order to fully create a desirable and walkable corridor or linkage, extensive efforts will be required, and could include those summarized below.

- Redevelopment of buildings along this corridor should be encouraged (for example, the city building at Flores and Commerce) to include mixed use residential and retail. This site could be an integral part of creating a 20-hour environment at the east end of the corridor between Market Square and the River.

The Center City Development Office is working with a consultant for the creation of a “concept plan” for Alamo Plaza. Through public workshops and stakeholder interviews, a plan will be developed, that addresses the following:

- Area destinations that need to be enhanced, develop and connected to create a stronger district identity
- Suggested activities and uses, amenities such as seating, landscaping, lighting and public art, and focal points, and their locations
- Edge and street improvements
- Relationships to existing and new buildings and their uses
- Circulation patterns

Note: This map shows locations of the original Alamo fortress in 1836, compared to the street layout of today. The map was compiled and displayed by the Center for Archaeological Research at the University of Texas at San Antonio.
• Creation of a superblock encompassing the areas bounded by Dolorosa to the south, Commerce to the north, Plaza de Armas to the east and Santa Rosa to the west. Currently there are numerous public uses on the site including Health Department, Probation Services and others. Some of these operations take place in structures regarded as historic, including an old two-story hotel. In addition, the site area encompasses a significant amount of surface parking.

• Investing in enhancements to the Spanish Governors Palace and the surrounding areas that were part of the original complex.

• Consideration should be given to transferring the land area described above into a non-profit development corporation. The resulting superblock would include areas of green space to replace surface parking. The green space would help to connect Dolorosa to Commerce.

• A master plan for the superblock should be undertaken that focuses on creating a residential and storefront retail atmosphere.

Consideration should be given to taking one lane of traffic away from Commerce and potentially Dolorosa to create wider sidewalks with significant landscaping and a continuous shaded environment from Plaza de Armas to Market Square (downtown traffic study may support).

• The parking for the area could potentially be accommodated in part at the currently vacant annex site at Dolorosa and Cedar.

As Houston Street is evolving into a restaurant and entertainment corridor with office space catering to the creative industries, the Market Square-River corridor could evolve into a unique urban neighborhood with retail and pedestrian linkages that are appealing to both residents and visitors.

The corridor also encompasses the Spanish Governors Palace and Casa Navarro State Historic Park. These important historic assets could be more fully taken advantage of from a visitor perspective.
San Pedro Creek runs across the corridor near the intersection of Camaron and Commerce Streets. Reclaiming the natural aspects of the creek could provide for development opportunities and enhance the appeal of the linkage between the River and Market Square.

At Market Square, there seems to be a limited sense of arrival. Efforts for improving Market Square should include the creation of some form of portal along Santa Rosa between Commerce and Dolorosa which clearly identifies the site. Within Market Square (inclusive of the entire area from Santa Rosa to the east, San Saba to the west and between Commerce and Dolorosa) efforts to improve the experience should be considered.

There are significant investments taking place across I-35 from Market Square at the UTSA campus, the University Health Center, and the development of the Westside Multimodal Transportation Center. Each of these projects will create significant development opportunities in the area immediately to the west of Market Square, and may over time, particularly with added student housing, provide for added demand generators.

3.6 Market Square and La Villita Management

In the original Destination SA report, it was suggested that selecting a private entity for management of Market Square as well as La Villita be considered. We believe this is still a desirable model for management. Particular components of this type of arrangement could include the following:

- Retain city ownership, providing a long-term management contract to a private entity.
- While there are numerous entities that may be interested in such a contract, it will be very critical that the city ensure that the authentic look and feel of the site be maintained. If a management contract is written without adequate city protections, an unhealthy measure of generic commercialization could encompass the Market Square area, detracting from its value to visitors and residents.
- Create incentives to encourage the availability of authentic craft versus product imported from China and other countries. Previous suggestions for an “Authenticity Campaign” within Market Square should be considered, perhaps instituted by the entity selected as the contract manager of the complex.
- Public financing for any defined improvements to Market Square and La Villita should be secured. Consideration of tax increment financing should be given. The recent inclusion of the Market Square area in the existing Public Improvement District will provide a more consistent atmosphere from a cleanliness and visitor service perspective.
- For La Villita, the management agreement should encourage the participation of resident merchants and artists to extend hours of operation, and to create more interaction with the customer base, including demonstrations in the various public areas.

3.7 Street Level Improvements

There are numerous entities that impact the quality of the resident and visitor experience at street level in the downtown area. These include the Downtown Operations Department (DOD), Downtown Alliance, VIA, Tourism Council, Conservation Society and the Office of Cultural Affairs.

Based on our reviews of existing conditions and discussions with the various organizations that operate in the downtown area, there are several areas that could be addressed to help enhance the overall visitor experience. These are discussed below.

Relieve Bus Stop Congestion – At certain bus stops in the downtown area, particularly those that cater to transfers between routes, there can be significant rider congestion. While this should be viewed as a sign of a vibrant transportation system, the congestions can also create a difficult atmosphere for visitors to navigate. Solutions to this issue will involve
relocation of the primary transfer point bus stops. The development of the West Side Multimodal Center near Cattleman Square (near the UTSA downtown campus) could represent an ideal opportunity to move bus traffic and rider congestion from important areas of downtown.

**Landscaping and Cleanliness** – The City’s Downtown Operations and Centro Partnership have made great strides in creating a more landscaped downtown area, inclusive of planters and other features. Continuation of this effort should be a primary focus for the Downtown Operations Department. In addition, extensive sidewalk cleaning in key pedestrian transit corridors should be considered. We have noticed areas within downtown which suffer from a lack of cleaning, from odor issues, or other deficiencies. To address these issues on a real-time basis, a routine “walkthrough” involving the director of the CVB, Center City Development Office, Centro Partnership, Downtown Alliance and Downtown Operations should be undertaken. As a general manager of a hotel will walk the property daily seeking out areas for improvement, leadership of these important entities that can influence the look and feel of the downtown should take a hands-on approach. As an example, conditions along the sidewalk area along Market Street outside a major downtown hotel could be addressed. Currently, large trash bins located just inside truck access doors face directly onto a high pedestrian traffic sidewalk, leaving a negative impact in terms of sight and smell. Bringing together organizational representation that can address these types of issues in a very short timeframe will help improve destination appeal. The City’s Downtown Task Force and Centro’s “Downtown Detail” can also provide a regular list of needed improvements.

**Create Pockets of Entertainment and Leisure** – In the original Destination SA, we recommended the creation of pocket resting areas at street level in key areas of downtown. The concept is to develop small, shaded, well-landscaped spaces in high pedestrian traffic areas at street level to accommodate street performances during specific times of the day, and to serve as pedestrian resting spaces otherwise. Opportunities for these features include the linkage along Commerce between the Rivercenter Mall and St. Paul’s Square; along Market between the Convention Center and the Alamodome; and along the linkages between the River and Market Square.

**Rivercenter Mall** – Given the relatively high concentration of non-local visitors to the Mall, the traditional retail mix for a mall of this size has not proven successful. Operators of the mall have responded by adding to the level of “eat-u-tainment” offered at the property (i.e., restaurants and entertainment). Going forward, we encourage the continued effort to diversify the mall’s offerings—with a focus on the visitor industry.

### 3.8 Continue Pursuit of the Cultural Corridor Concepts

There has been a great deal of community-wide discussion and preliminary planning associated with the creation of several distinct cultural districts or corridors outside of the downtown area, with downtown serving as a hub for radiating cultural experiences. If successful, these efforts could create distinct areas within the community that are highly unique and authentic, drawing on the historic structures and landmarks within each district. In general, these districts would encompass thriving business, residential and cultural/entertainment development, drawing significantly from the local population base. With the necessary level of density, these districts could attract a share of the visiting population as well.

Much of the discussion and planning to date has included a Broadway Cultural Corridor as a prime opportunity for this type of development. With this and any other area targeted for development as a cultural district, several of the key challenges that will have to be addressed going forward include the following.

- Focus on a vibrant residential area first, a cultural asset second and ultimately an important visitor amenity.
- Create development density in a manner consistent with the district (inclusive of housing, retail, galleries, creative industry, etc.)
• Create transportation linkages that are consistent and reliable. Initial efforts could focus on using the VIA system to provide transit. The potential for urban rail is being explored by VIA and could eventually link districts to downtown. Options that involve contracting with a private transportation firm could also be explored.

• Identifying funding sources, potential including Tax Increment Reinvestment Zone bonds.

• Change the public perception regarding safety in the area. This will involve a relatively long process of demonstrating a base of successful businesses, expanding residential, and special events.

• Continued public sector focus on the cultural corridor concept, drawing on the efforts of the Mayor’s office, arts organizations and other groups and individuals.

Within Destination SA, we can only offer support for the concept of the cultural districts as a means of creating a viable visitor industry asset. The productive efforts undertaken by many individuals and organizations to date should continue, with the participation of the SACVB to evaluate elements suitable for marketing to the traveling public.

3.9 Add to the Luminaria Experience

There are several major arts and cultural events that currently take place in San Antonio. Fiesta is a major, 11-day celebration that has taken place in some form for 118 years, and currently draws several million attendees each year.

Fall Arts Festivals is a series of events taking place over an extended period of time from September to November. The collection of festivals does encompass many forms of artistic expression that can appeal to a visitor; however the extended timeframe makes it more difficult to market an intense, defined period of unique and authentic San Antonio art.

Luminaria Arts Night has proven to be a successful vehicle for presenting and experiencing the city’s arts. The focus of Luminaria is on creating a dramatic, intense, almost spontaneous splash of various art forms throughout the downtown area within a short timeframe (currently one day, with consideration of expanding the experience to as many as three days). Apart from the defined Luminaria experience, a variety of other city wide special events and performances are scheduled throughout the city, taking place during the March Contemporary Arts Month which was recently moved from July.

Important strategic planning efforts necessary to sustain Luminaria, focused on many areas including governance, finance, retaining artist commitment, and other areas are on-going.

For purposes of the Destination SA update, we have considered the possibility of adding events and activities that could partner with Luminaria as way of placing even greater emphasis of celebrating art and culture in a way that is highly unique to San Antonio. Ultimately, we seek to create a vital, sustainable and authentic product that destination sales and marketing professionals can use to drive room night generation.

The concept that we suggest warrants further exploration involves combining a series of events and activities within a five to six day period that culminates with Luminaria. It is critical that the essence of Luminaria not be diluted; however, opportunities to create a marketable package of art and cultural opportunities into a multi-day event could help drive added visitation.

Characteristics of a broader multi-day event could include:

• **Children’s Art Curriculum.** Students of all ages from throughout the city can participate, perhaps with several pieces of art selected from each school for display in the downtown area (perhaps using Main Plaza).

• **Art Parade.** There may be an opportunity to create a unique San Antonio street level arts parade. Houston can offer a model for this
with their Art Car Parade – a centerpiece for their Art Car Weekend. A theme or focus for San Antonio could be identified around which to build the parade.

- **River Parade.** Comments from various visitor industry participants in San Antonio indicate that River parades are very appealing for the visitor, and that more of them would increase the appeal of the destination. Consideration should be given to organizing an art-themed River Parade, perhaps incorporating the participation of area students, artists and other interested parties.

- **Chalk it Up.** The very successful event sponsored by Artpace San Antonio is held in October. This event combines the spirit of local artists and children/family participation. A version of this could be held during an expanded Luminaria.

- **Fundraising for the Arts Foundation.** Artists from the local community could participate in a setting that allows for highly interactive demonstrations of the artistic process. Using space tailored for the event at Main Plaza or potentially within HemisFair Park, artists would be asked to showcase their actual artistic process in a highly interactive manner, perhaps allowing people to “pick up a brush” or in some way actually experience the artistic process. If it meets the wishes of the art community, some form of fund raiser supporting the Artist Foundation and/or other artistic organizations could be wrapped into the event. It is critical that such an effort be very respectful of the artist, and to not take inappropriate advantage of their time and efforts. Rather, we envision an outdoor celebration of the artistic process, highly interactive with visitors and residents from the community. In an entertaining way, the event will ideally lead to a greater appreciation for the artist and their craft.

Consideration should also be given to commissioning art pieces from local artists to be unveiled during Luminaria and displayed at high profile locations within the community for the following 12 months. This cycle can then be repeated for each subsequent Luminaria.

Adding to the Luminaria experience, building on a successful beginning, should be seen as a multi-year process. We suggest that a five year plan be developed with ideas and concepts noted above, as well as other initiatives designed to celebrate art in a uniquely San Antonio way. The CVB should be active in this process to ensure that a product that is highly marketable to visitors can be created.

### 3.10 St. Paul’s’s Square Investment

For purposes of this report, the St. Paul’s Square area encompasses the Alamodome, Sunset Station, the historic buildings with various commercial businesses, and the areas north to Ellis Alley. The current performance of Sunset Station and the area commercial businesses is relatively poor, due both to the existing economic conditions and the fact that original business models assumed the existence of the Spurs at the Alamodome.

With the launch of University of Texas San Antonio football games at the Alamodome, there is potential for increased economic impact from these events. Recent additions to the housing inventory (138-unit Vidorra) will eventually help provide long-term stability to the commercial environment.

For purposes of Destination SA, we focus on the question of whether or not the St. Paul’s Square area can offer an opportunity to increase visitation to the market. When addressing this question, we generally fall back on the notion of unique and authentic – what can an area provide a visitor that they can’t get at home, and that they would be willing to travel to see?
The St Paul Square area offers several opportunities, as described below.

- **Alamodome** – The Alamodome is one of the largest venues for sports and entertainment in Texas, and will continue to draw visitors to the area. The city's Convention, Sports & Entertainment department has explored opportunities to increase events and visitation, and these efforts should continue.

- **Ellis Alley** – There are several historical structures at Ellis Alley, closely linked to the African American heritage in the San Antonio area. In fact, the overall St. Paul's Square area offers opportunities to present African American history in a way that is virtually ignored today. Opportunities to acquire historic structures within the Ellis Alley area should be explored, with one goal of presenting African American history. Examples of this type of investment can be found at the Stiles African American Heritage Center in Denver, and the American Jazz Museum and Negro Leagues Baseball Museum in Kansas City.

- **Enhance Access to Downtown** – Currently, one of the major pedestrian routes from downtown crosses under I-37, primarily along Commerce. However, the visual and aesthetic quality of this access is poor, with very little visitor appeal. Investment should be made in landscaping, lighting, public art, shade creation and signage along this connector to better support visitation to the St. Paul's Square area.

The improvements noted above should be viewed as long-term investments. No single or small set of initiatives will succeed in creating an asset to the visitor industry, however with efforts to create a viable attraction (through historic and cultural features) and to create a desirable physical environment; we believe that added visitation to the destination can result. Recommendations regarding housing and public sector land assemblage discussed in other areas of this section will have a bearing on the future of the St. Paul's Square area.

### 3.11 Proactive Enterprise Approach to Utilization of HOT Funds

Nationally, the convention and visitor industry has become increasingly competitive as cities continue to improve their convention and visitor industry assets. In this environment, it is important to establish the ability of a destination to quickly respond to changing market conditions, to maintain and upgrade their visitor industry assets, and to take advantage of opportunities to protect and/or increase market share in a nimble, market-responsive fashion.

In San Antonio, we note that the Convention Center (and Alamodome), the CVB and the Office of Cultural Affairs operate under approved annual budgets that do not typically vary significantly during the year, regardless of actual HOT collections. We also note that:

- For the Convention Center and Alamodome, unexpected increases in event activity during the course of the year will typically create added operating expenses,
- Repair and maintenance costs are funded by the City on a per-project basis out of annual appropriations, and
- Changes to national visitor industry and/or economic conditions can offer opportunities to increase market capture, or require immediate action to minimize market share loss. There is no current mechanism to allow funding for unanticipated efforts to maximize visitation.

In several markets, reserve accounts are established to address these types of issues. For example, in Anaheim, the Center operates with a reserve account that is funded through dedicated hotel taxes and operating revenues in excess of those needed for debt and operating expenses. The reserve account has reached as high as $17 million, and is used for facility improvements and in securing added convention activity.

In Phoenix, all revenues and expenses used to operate the Center and to service debt are allocated to a dedicated enterprise fund. The fund
receives revenue from several sources including Center operating revenue and portions of hotel, restaurant, rental car, construction permitting, and printing/binding excise taxes. Revenue from the Fund is provided to the CVB (of which five percent is reverted back to the Center for marketing related travel and other costs). The Fund revenue is also used to accumulate an operating reserve of approximately $12 million.

For San Antonio, we recommend a structure that accumulates excess HOT tax into a reserve account or accounts for use in facility repair/maintenance, in targeted sales and marketing efforts, and in other visitor enhancing efforts such as creating a greater set of initiatives to lure film productions to San Antonio. A single fund could be established, with priorities set for how funds are distributed, or separate funds could be established for use by the entities that currently participate in the HOT funding (Convention Center/Alamodome, the CVB and Office of Cultural Affairs).

3.12 River Walk Structural Improvements

The River Walk has been a prominent feature of the San Antonio visitor industry for more than 40 years. It is estimated that more than nine million visitors access a portion of the River Walk each year, and significant public funds are expended annually to maintain the character of the public spaces.

Currently the city is in the process of implementing a multi-year, four phased capital improvement program for the horseshoe area of the River. The $3.2 million Phase I is underway and is scheduled to be completed soon. This will provide sidewalk, stair, River wall and paver repairs; landscape and irrigation upgrades; ADA accessibility improvements; and various other enhancements to specific areas of the River Walk.

A $3.1 million Phase II is reported to be included in the current city budget, and will add to the areas of the River Walk that are enhanced. The city’s plan also calls for a $4.9 million Phase III and a $3.6 million Phase IV.

There are indications that the Phase III costs will be undertaken in 2011, but have not been funded. No specific plans for Phase IV implementation or funding are in place, although the city views these efforts as an important priority.

For Destination SA, the recommendation is essentially to continue to prioritize the River Walk improvements very high on the list of city capital improvement projects, particularly given that the River Walk is viewed as the number-one feature of the destination. When one realizes the level of visitation, and associated tax dollars, contributed by the River Walk, the level of investment required to maintain the asset is minimal in comparison. Conversely, if the quality of the River Walk experience deteriorates, leading to even a small decrease in visitation, the negative impacts on tax collections could be significant.

Going forward, the city should consider establishing an “evergreen” River Walk repair/replacement fund that receives revenues on an annual basis for future capital needs. Sources for such a fund could be identified from a particular revenue stream or various revenue streams; or funding could be provided through annual general fund appropriations.

It is common in capital funding for large facilities to allocate one-half of one percent to an annual repair/replacement fund. For example, if the existing horseshoe area of the River Walk were viewed as a $400 million asset, the annual reserve funding should approximate $2.0 million. We suggest working with city staff to assess an appropriate annual funding amount and an associated revenue source.

3.13 Urban Rail/Streetcar Circulator

There has been significant discussion as to the development of an urban rail/streetcar circulator in San Antonio. Options for locating the initial streetcar line include a North/South route through the city, along the Broadway corridor, conveniently connecting the downtown/River Walk experience with cultural assets. A thorough study process is taking place.
under the direction of VIA to explore the many facets of such a system, including routes, funding, equipment, stations and related issues.

These systems can be valuable assets to the transportation structure for residents as well as visitors. At the same time, costs for these projects can be significant.

As part of Destination SA, we support the concept of the urban rail/streetcar, and concur with the study process that will take place to explore the many facets of such a system, including routes, funding, equipment, stations and related issues. Leadership from the CVB and the Downtown Operations Departments, along with CIMS and Public Works, should be actively involved in this planning process. It will be important that funding for such a system does not detract from the funding currently in place for other visitor industry assets and organizations including the Convention, Sports & Entertainment department, the CVB, OCA and related entities.

Until the streetcar system is developed, consideration should be given to using a rubber tire trolley/bus system to serve as a northern River stretch/downtown transportation link. Such a system would include stops at Pearl Brewery and other visitor industry assets, and could be accomplished by expanding the VIA system, or by contracting with a private transportation provider.

Today, SeaWorld and Fiesta Texas combine to attract approximately 4 million visitors. This level of theme park visitation is twice the levels generated in any other city in Texas. We also note that the new JW Marriott Resort & Spa, with 1,002 rooms and a 36-hole signature golf course, represents the largest non-downtown resort property in the state. Other large hotels are either downtown, on the periphery of downtown, and/or are not resort properties. In addition, San Antonio offers the Westin La Cantera, and the Hyatt Regency Hill Country Resort & Spa, both with approximately 500 rooms. Other assets located in the loop area include 8,624-acre Government Canyon State Natural Area; the Eilan, a high end live-work-play development; and the Rim, a 3 million square foot retail center.

The combed 2,000+ resort sleeping rooms, all within close proximity of each other, and within close proximity of the theme parks, creates a critical mass of visitor industry assets that can create a successful "counterweight" to the unique visitor industry assets downtown and along the River. In addition, a large collection of limited and select service properties cater to the room night demand created by Sea World and Fiesta Texas. The following map highlights the area’s attractions.

3.14 Maximizing 1604 Loop Attractions, Attractions Outside Downtown

Certainly, much of the convention and visitor focus and public investment over the past years has centered on the downtown area, and various regions along the San Antonio River. However, San Antonio has been benefiting, and in some ways in an “under the radar screen” manner, from very significant private sector investment outside downtown, particularly to the west and north along the 1604 loop.
We have had discussions with representatives from developers of major amateur sports complexes throughout the country. The Texas market, particularly San Antonio, is viewed as outside the geographical area that encompasses significant population base within drive distance. Also, the number of markets pursuing or operating major amateur sports venues is significant, with a resulting high level of competition for large room-night generating tournaments. However, given the destination appeal of the San Antonio market and the prevalence of amateur sports in the Texas market, it is very conceivable that a regionally oriented sports complex could represent a viable visitor generator for the destination. The Loop area presents just one option for development of sports venues, but these could be looked at citywide.

The development of a major national theme park is naturally viewed as a long-term prospect, involving unique private sector interests, with potential support from the public sector in various ways. We are not aware of current or on-going discussion as to the development of a new national theme park in the San Antonio market. However, given its central location relative to the east and west coasts, the success of SeaWorld, and the existence of other attractions, hotels and resorts in the area, San Antonio would certainly be on a short list of destinations in which such development would be considered. The SACVB, working with city officials, should continue to evaluate the viability of an amateur sports complex development throughout the metropolitan area, and should respond aggressively to any inquiries from the private sector regarding major attraction development.

3.15 Support Centro Partnership and the Centro Collaborative Effort

Today, there are a significant number of properties within the downtown and surrounding areas that are in some form of public control. Entities that control land include VIA, CPS, SAISD, SAHA, the City of San Antonio and Bexar County.
In some cases, land in public holdings may be suitable for commercial development of some form. Given the often times high cost of acquiring private land for development, a strategic use of public assets may lead to projects that support overall downtown and surrounding area growth.

For example, CPS currently owns land within the River North area that is currently used for truck parking. This property may provide a viable opportunity for the development of mixed income housing, as well as other mixed use development. The mixed income housing component can be critical to securing close in workforce housing. Land in the Ellis Alley area could also be made available for development.

The River to Market Square corridor concept described previously is another example of a development concept that could benefit greatly from a coordinated and strategic use of public land assets.

Certainly the challenges with coordinating the land resources at various public agencies and strategically identifying and transferring certain assets into a central organization can be significant; however, the ability to secure land at a reasonable price, thereby allowing for important housing and other development is critical to the future of the downtown and surrounding areas.

Since 2009, the City of San Antonio, in cooperation with the San Antonio Downtown Alliance and other stakeholders, have been working together in an effort to reinvent and redesign their approach to downtown management and create a new management and leadership organization called the Centro Partnership. Incorporated last year, the Centro Partnership is a public/private partnership that oversees and facilitates development and revitalization in the center city. It will serve as a new umbrella organization guided by a shared vision, committed to a focused mission, and managing an expanded array of new tools. The organization’s objective is to establish a consistent and long term strategic vision for downtown. CPSA will also identify policy issues and catalytic projects that will transform the center city. CPSA is working on a collaborative model that will also incorporate the downtown alliance, Centro San Antonio, and a community development corporation. The DT Community Development Corporation is a 501 (c) 3 that can perform fundraising services as well as purchase and develop land.

We recommend supporting the Centro Partnership efforts to identify land and property that could be made available for a more strategic use that will benefit economic development and quality-of-life goals.

### 3.16 Investment in the Convention Center

With the dramatic improvements to the downtown area, including the development of a significant inventory of hotels, San Antonio has emerged as a top tier destination for nationally rotating conventions and tradeshows.

Significant investments in visitor industry infrastructure have also been made in competitive destinations, oftentimes geared towards improvements to the convention center. Major upgrades to convention centers in Dallas, Phoenix, Nashville, Indianapolis, New Orleans and other markets are planned or have recently been made.

At the same time, there are clear deficiencies at the Gonzalez Convention Center, as exemplified by comments provided to us by past Center users. These comments tend to focus on areas such as:

- Quality differences between older and newer space.
- Difficulty in navigating the current floor plan.
- Need for added exhibit, meeting and ballroom space.
- Generally confusing layout of the Center.

The CVB continues to work with major national meeting planners, and the types of improvements needed at the Center to create a state-of-the-art facility have been well documented. To pursue these improvements, architects have been retained to develop a comprehensive improvement plan, and this process is currently underway.
4.0 DESTINATION SA IMPACTS AND IMPLEMENTATION

The findings and recommendations presented in this report serve as a roadmap for public and private sector decision makers, providing guidance as to the steps that need to be undertaken to significantly and appropriately expand the room night generating capacity of the San Antonio convention and visitor industry. Within this section of the Destination SA update, we discuss the potential impacts of the various recommendations, as well as next steps towards creating an implementation plan for the project.

4.1 Potential Project Impacts

San Antonio has emerged as a top tier destination for leisure travelers and convention planners. Levels of visitation had increased dramatically starting twenty-plus years ago, reaching 20 million visitors in 2002. Since 2002, visitation has increased somewhat, reaching a reported 25 million in 2008.

The recommendations presented herein are designed to enhance the visitor industry infrastructure within the destination. Creation of the downtown gateway for the southern stretch of the River, enhancements to Alamo Plaza or investment to enhance cultural tourism along the northern stretch of the river are intended to expand the visitor opportunities in the destination, help to extend visitor stay, increase repeat visitation, and increase the number of new visitors to the destination. To what extent visitor impact will increase as a result of these types of initiatives can be difficult to measure, however we can make the following statements:

- The visitor length of stay in San Antonio based on our survey research ranges from one day to over 7 days, with an average of approximately 4.5 days. Many of the recommendations contained herein are
4.2 Implementation

In order to begin the process of implementing the recommendations presented herein, we strongly suggest that the forces behind the initiation of the Destination SA update, including the SACVB, the city and numerous economic development organizations, convene an initial, day-long planning session to discuss the specific recommendations and to begin the process of delegating tasks with specific timelines.

The actual implementation of specific Destination SA recommendations should be undertaken using a subcommittee structure under the leadership of city management, the SACVB and other key visitor industry representatives. The makeup of each subcommittee will be influenced by many factors including “ownership” of a particular recommendation (which entity will ultimately be responsible for implementation), the organizations affected, required expertise and other such areas.

As a subcommittee structure is formed that addresses these recommendations, opportunities to utilize existing organizations, departments and committees as opposed to forming new entities should be explored. Consideration should also be given to including a representative from the Mayor’s office on many of the subcommittees formed. For each subcommittee, it will be necessary to create the following guidelines:

- Definition of the specific recommendation to be addressed, using the framework presented herein as an initial basis.
- A timeline will have to be established for implementing the recommendation, and potential costs and funding sources will have to be defined.
- All necessary city staff and staffing from applicable organizations will have to be enlisted in the process.

A coordinated timeline, encompassing the efforts specific to each recommendation, should be developed by committee members and staff. Quarterly meetings should be held to measure progress for each of the subcommittees.

designed to provide opportunities to extended the visitor stay. For every one-half day that the typical visitor extends their stay, hospitality industry impact could increase approximately 11 percent. Given the reported annual hospitality industry impact of approximately $9 to $11 billion and the share of this that originates from overnight visitors, the one-day extended stay equates to at approximately $1.0 billion in added San Antonio area economic impact.

- If the recommended improvements drive a 2 percent annual increase in visitation for a period of five years, hospitality industry impacts could increase by an additional 10.4 percent or approximately $937 million.
- Every major convention attracted to the Convention Center (assuming 10,000 attendees) can generate between $12 million and $14 million in new spending and up to 36,000 added room nights.
- Destinations including Dallas, Phoenix, Oklahoma City, Indianapolis, Chicago, New Orleans and others are investing in convention and visitor industry product. Over time, with no investment in the San Antonio visitor product, new visitor levels and repeat visitation will decrease.