

City of San Antonio, Texas



# FY 2014 Proposed Budget Worksession Convention & Visitors Bureau

Presented by Casandra Matej, Executive Director

August 29, 2013

# Agenda

- Hotel Occupancy Tax Overview
- Department & Industry Overview
- FY 2013 Accomplishments
- Performance Measures
- FY 2014 Proposed Budget
- FY 2014 Priorities & Initiatives
- Conclusion



FY 2014 Proposed Budget



# Hotel Occupancy Tax Overview

City of San Antonio, Texas

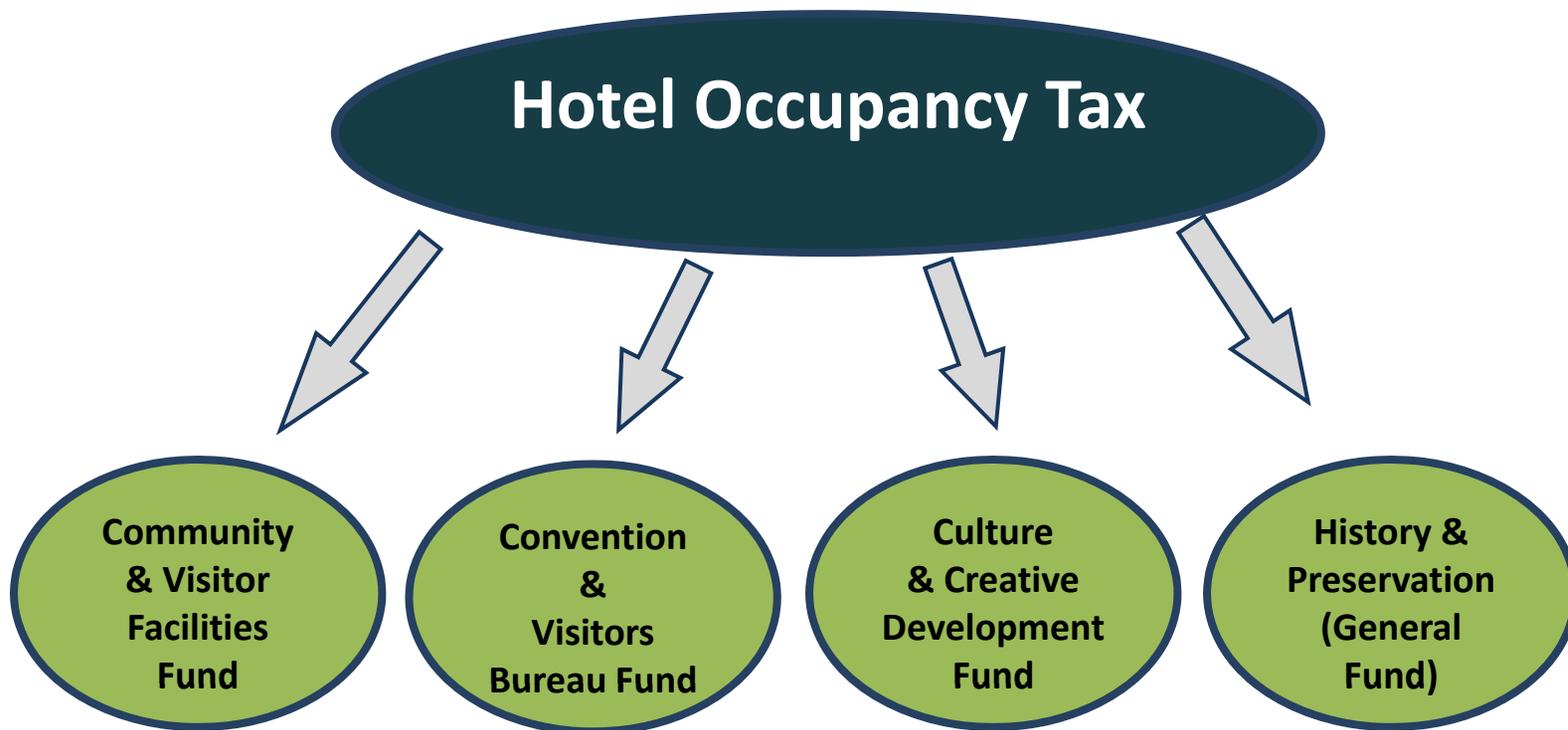
# HOT Fund Overview

- The Hotel Occupancy Tax (HOT) Fund accounts for all revenues and expenditures generated from the City's Hotel Occupancy Tax
- The HOT Fund supports San Antonio's Tourism, Convention, and Arts & Cultural programs through transfers to the:
  - Convention & Visitors Bureau Fund
  - Community & Visitor Facilities Fund
  - Culture & Creative Development Fund



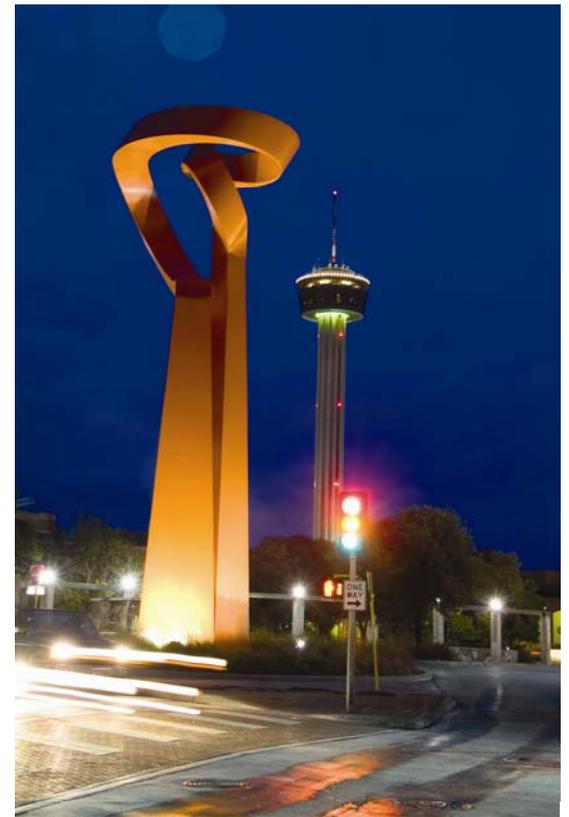
# HOT Fund Overview

- HOT Revenue is transferred to the following funds:



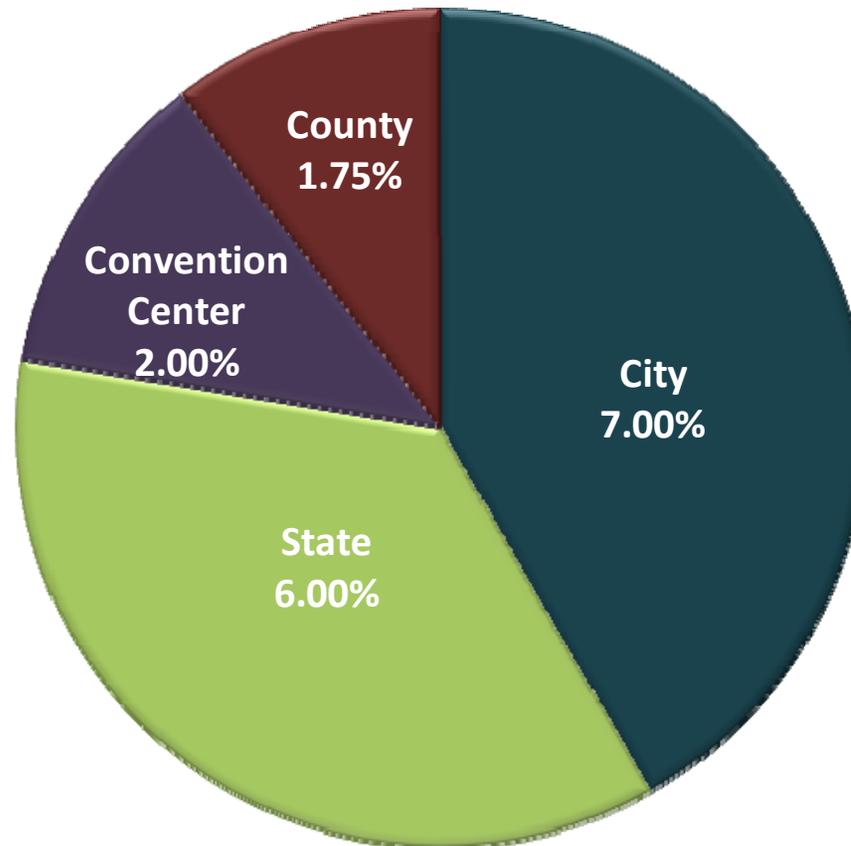
# Uses of Hotel Occupancy Tax

- Allocation of Hotel Occupancy Tax Revenue is regulated by State Tax Code and is stipulated as follows:
  - HOT revenues must be spent on convention and tourism activities
  - Up to 15% of tax revenues can be spent on the Arts
  - Up to 15% of tax revenues can be spent on history and preservation



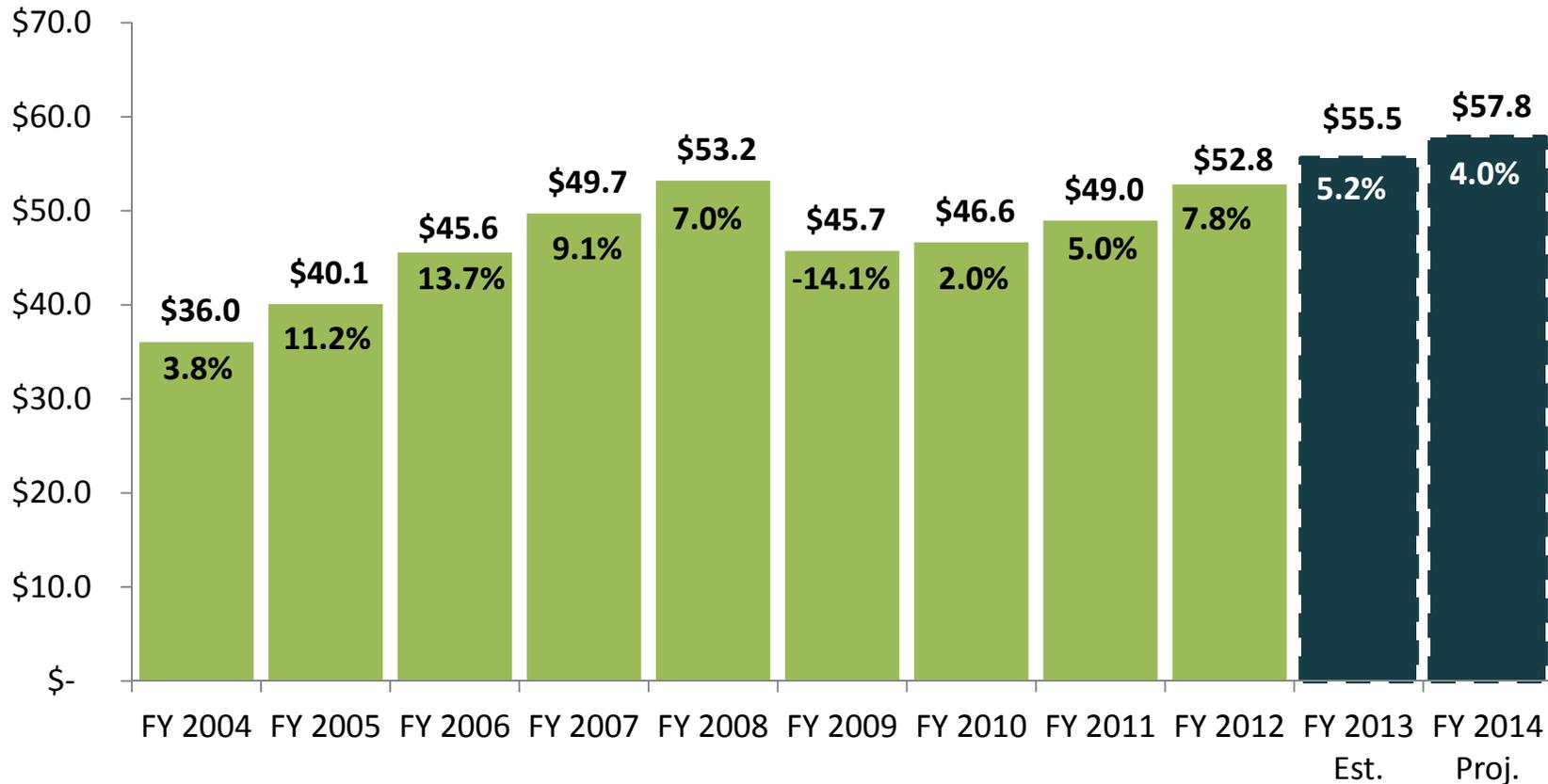
# Hotel Occupancy Tax Composition

**Total Hotel Occupancy Tax Rate is 16.75%**

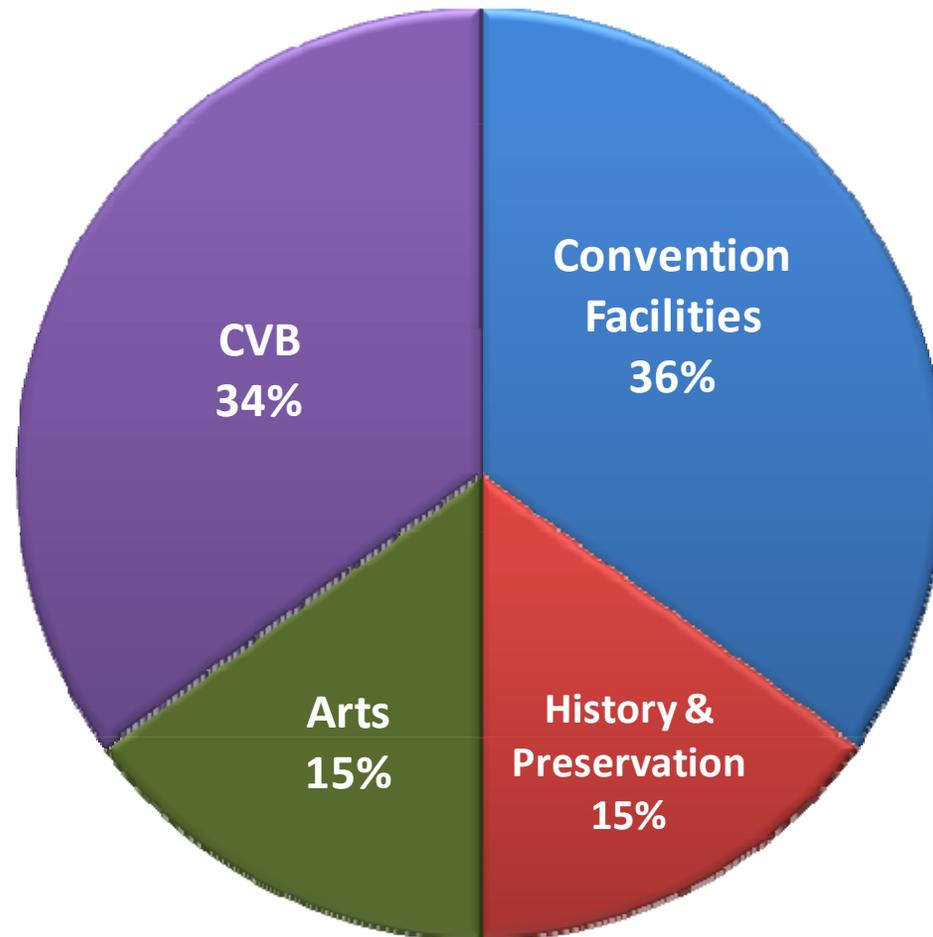


# Hotel Occupancy Tax History

- FY 2013 HOT Tax Revenue collections have exceeded the FY 2008 levels



# Allocation of FY 2014 HOT Collections



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# Department & Industry Overview

City of San Antonio, Texas

# Department Overview

- Our mission is to promote and market San Antonio as a premier leisure visitor and convention/meeting destination for the purpose of positively affecting the City's economy.



# Industry Overview

- The CVB represents an industry that contributes to building quality of life for San Antonio:
  - Overall economic impact of **\$12 billion**
  - Employs over **112,000** local employees
  - Welcomes **28** million visitors



# Competitive Landscape

- Austin
  - 1,012 room downtown JW Marriott to open early 2015
  - 1,000 room Fairmont Hotel to open downtown in 2016
- Dallas
  - Budget almost doubled by introduction of tourism district
  - Funds used for Incentives and Marketing
- New Orleans
  - Reconfiguring current exhibit space (87,000 sq ft Great Hall)



# Competitive Landscape

- San Diego
  - Expected to announce Convention Center expansion
  - Projected to open 2016
  - Applied towards consumer marketing
- Houston
  - 1,000 room JW Marriott Hotel opens downtown in 2016



# Industry Trends

- Associations reducing room commitments for major events to protect themselves from hotel attrition cost
- Overall group meeting attendance experiencing growth
- Convention Center groups wanting greater negotiation in pricing
- Hotel priority to drive rate increases more than occupancy increases
- Impact of sequestration



FY 2014 Proposed Budget



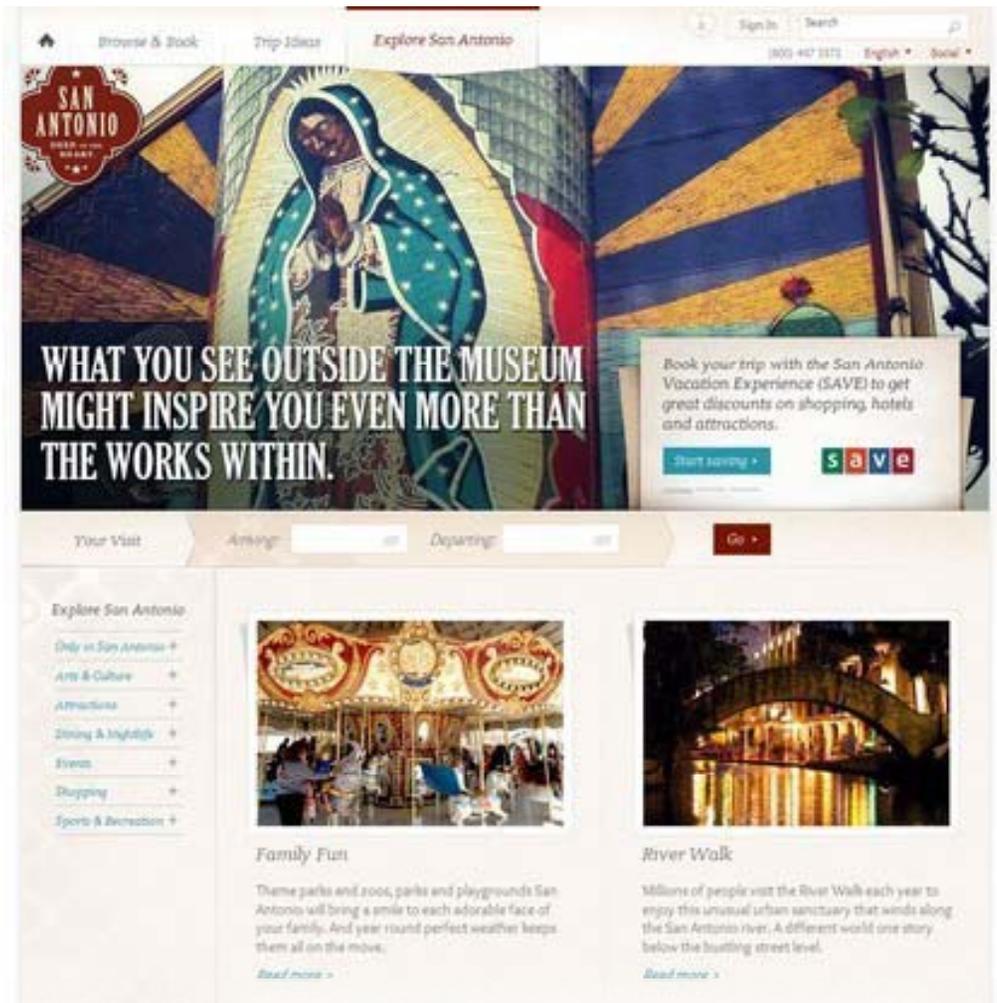
# FY 2013 Accomplishments

City of San Antonio, Texas

# FY 2013 Accomplishments

## Launched New Leisure Site in May

Website designed to leverage emergence of social media and new trends in internet technologies



# FY 2013 Accomplishments

## Launched Certified Tourism Ambassador program

- 1,050+ active members
- Highest participation level of any destination



## Retooled Mexico strategy

- Specific Mexico consumer research
- Mexico based rep firm (Travelpie)

## Long Range Strategic Plan

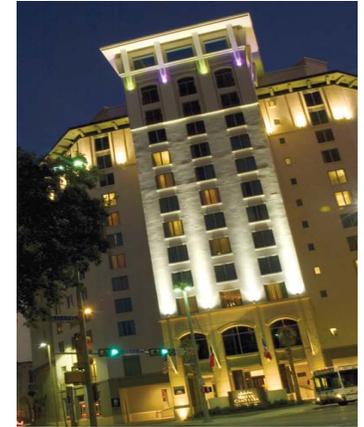
- 5-7 Year Outlook
- Worked with partners & City Leadership
- Provides key strategic direction



# FY 2013 Accomplishments

## Booked significant, high volume meetings

- American Society for Reproductive Medicine
  - 18,000 RNs & 6,500 attendees – 2017 and 2025
- International Association for Fire Chiefs
  - 15,100 RNs & 7,500 attendees – 2016 and 2021
- National Association of Student Personnel Administrators
  - 11,000 RNs & 6,000 attendees – 2017
- American Society of Anesthesiologists
  - 31,600 RNs & 16,000 attendees - 2025



# FY 2013 Accomplishments

## Booked significant, high volume meetings

- American Academy of Physician Assistants
  - 16,000 RNs & 7,000 attendees – 2016
- Tentative – Global Medical Conference in an emerging area of medicine - 2014
  - Highly prestigious event
  - Estimated 1,200 attendees from 40 countries
  - Key Medical and Economic Development Partners



# FY 2013 Accomplishments

## Meetings Giving Back

Attendees of Lutheran Church Missouri Synod volunteered at:

- Animal Care Services
- Animal Defense League
- Beat Aids
- Habitat for Humanity
- Mission Road Development Center
- San Antonio Food Bank
- Dozens more additional charities, non-profits and/or church groups



# FY 2013 Accomplishments

## Meetings Giving Back

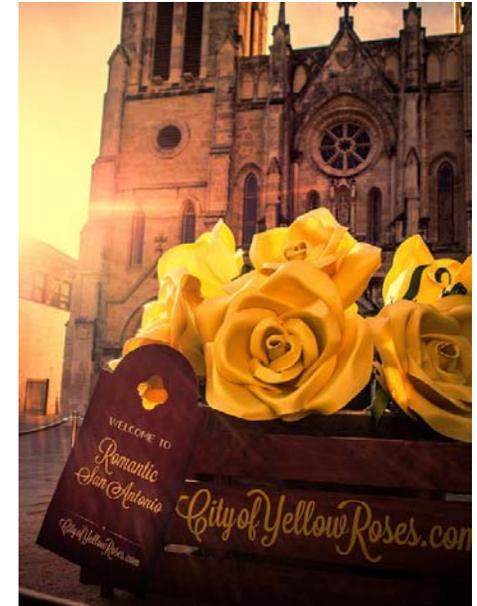
- National Association of Orthopedic Nurses
  - Drive for SA Food Bank
- International Roofing Expo
  - Community Service Day - renovate homes of families in need
- International Reading Association
  - Donated books to St. Vincent De Paul, Boys & Girls Clubs, and Children's Hospital
- American Academy of Allergy & Asthma Immunology
  - Volunteering at the Food Bank



# FY 2013 Accomplishments

## Enhanced promotion of Special Events/ Holidays

- City of Yellow Roses Campaign
  - Positioning San Antonio as an ideal romantic destination
- San Antonio Rodeo Campaign
  - Established promotional partnership leveraging key assets
- Fiesta Campaign
  - Marketing to visitors and outer market media
  - Opportunity for locals to plan a “staycation”
- Cinco de Mayo Campaign
  - San Antonio's Latino heritage celebrated in key sales and convention markets



# FY 2013 Accomplishments

## Enhanced Special Events / Holidays

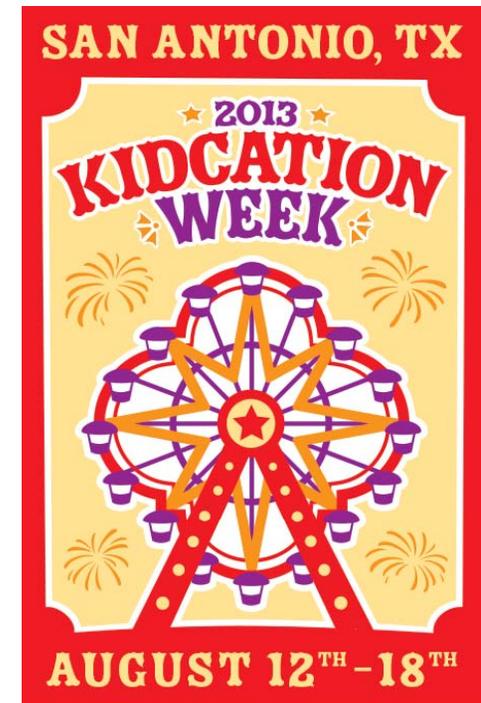
- Formula 1 US Grand Prix Race
  - Global event that attracts millions of viewers from around the world to San Antonio and region
- Holidays
  - Key time period for domestic travel
  - Heavy shopping traffic from Mexico



# FY 2013 Accomplishments

## Launched Kidcation Week

- Caters to families with kids through special activities
- Offers to increase room night demand during a historically slower end of summer period
  - Launched Event Monday, August 12
  - 90+ Attractions, Shopping, Dining and Hotel offers and events specific to this week



# FY 2013 Accomplishments

## People en Español Festival

- Key Objectives
  - Celebration of Hispanic culture with pride & passion
  - Community interaction and engagement
  - Provides great opportunity for national and international media exposure
  - Affords promotion of San Antonio as a multi-cultural destination



# FY2013 Accomplishments

## People en Español Festival

- Attendance in 2012 was estimated at 30,000
  - 26% of Festival Attendees were not San Antonio residents
  - Attendees stayed an average of 2.1 nights in the San Antonio Area
  - Total Impressions were estimated at 1.2 Billion
- 2013 plans to grow attendance
  - Full year of integrated marketing partnership with PESP



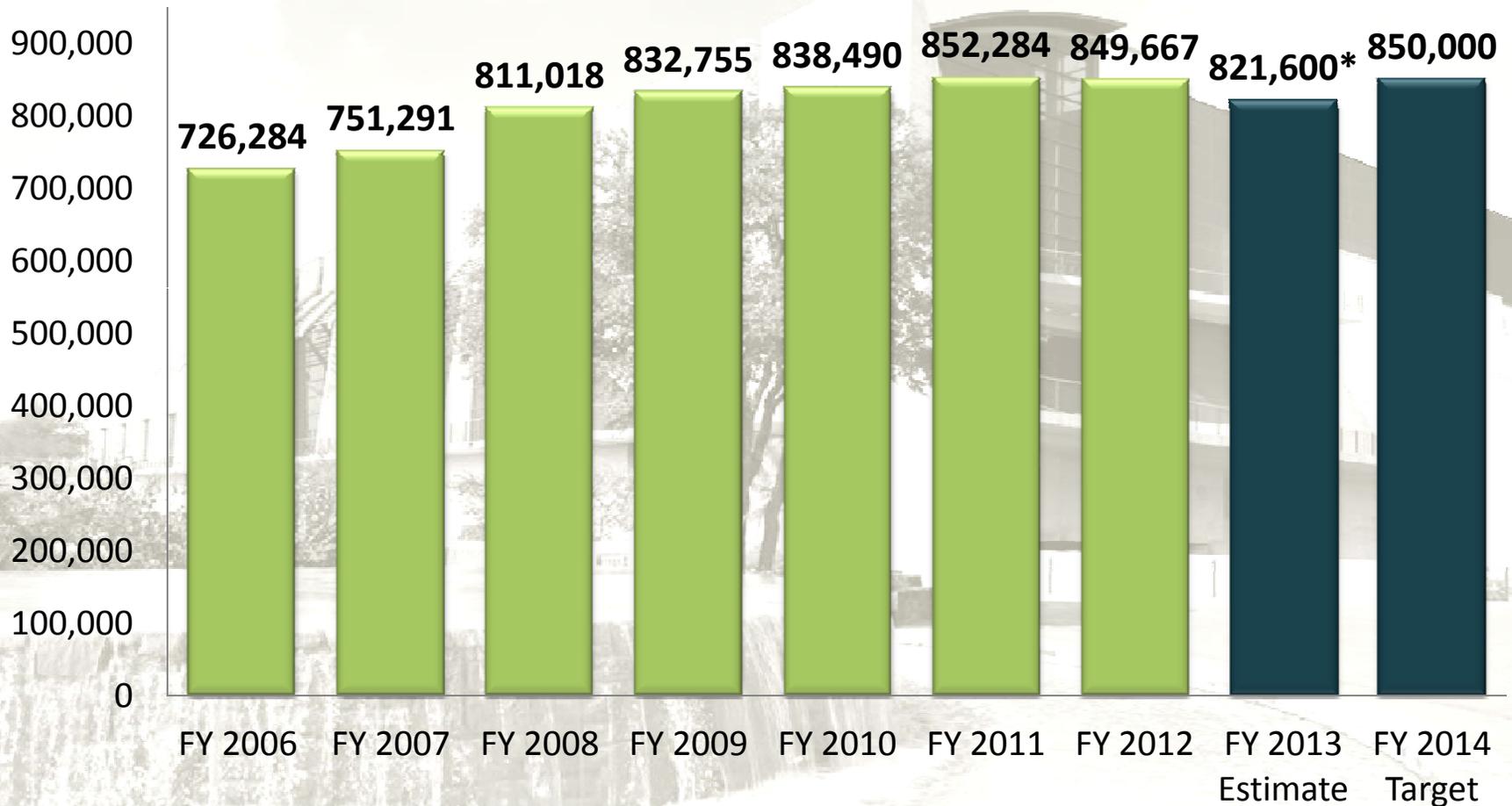
FY 2014 Proposed Budget



# Performance Measures

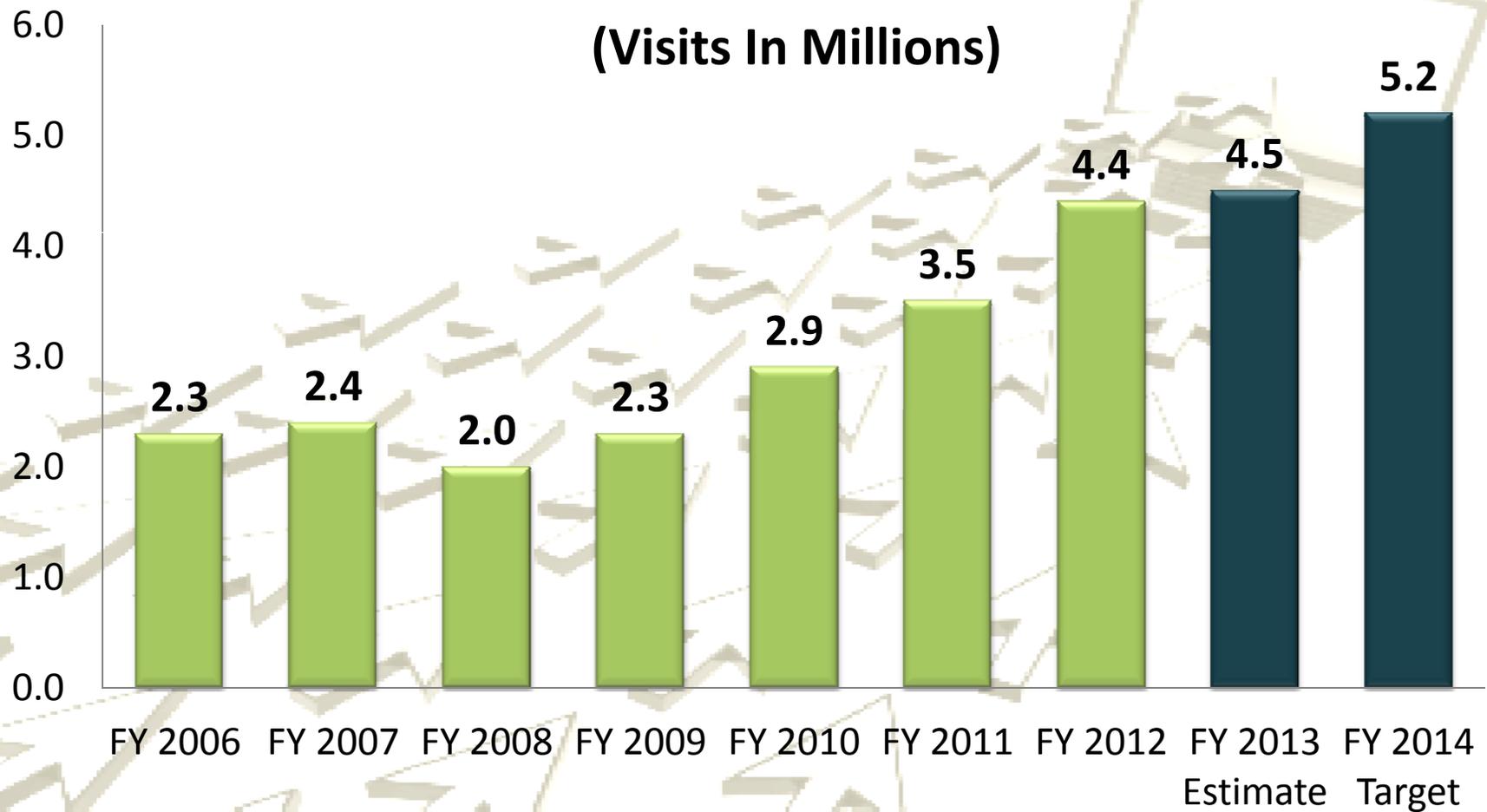
City of San Antonio, Texas

# Convention Nights Booked

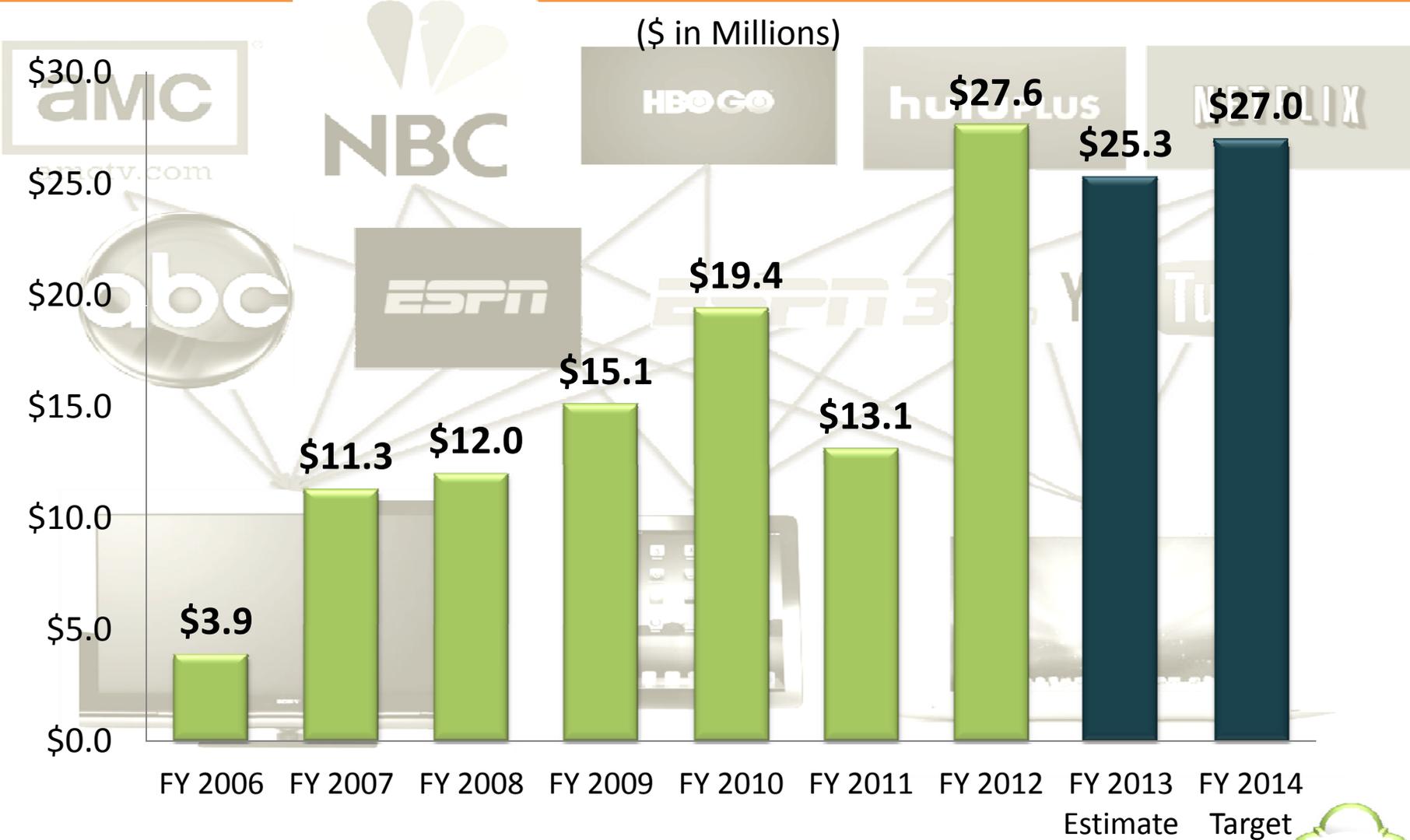


\*Based on current data, FY 2013 expected to have 851,600 convention nights booked

# Website Visits



# Media Value





# FY 2014 Priorities & Initiatives

# FY 2014 Strategic Priorities

- Maximize effectiveness of convention and group-sales efforts
- Promote Convention Center transformation



# FY 2014 Priorities & Initiatives



- Evaluate and broaden marketing initiatives to maximize destination awareness



# FY 2014 Priorities & Initiatives



- Expand and enhance range of leisure and convention services
- Maximize connection to the community and its future development opportunities



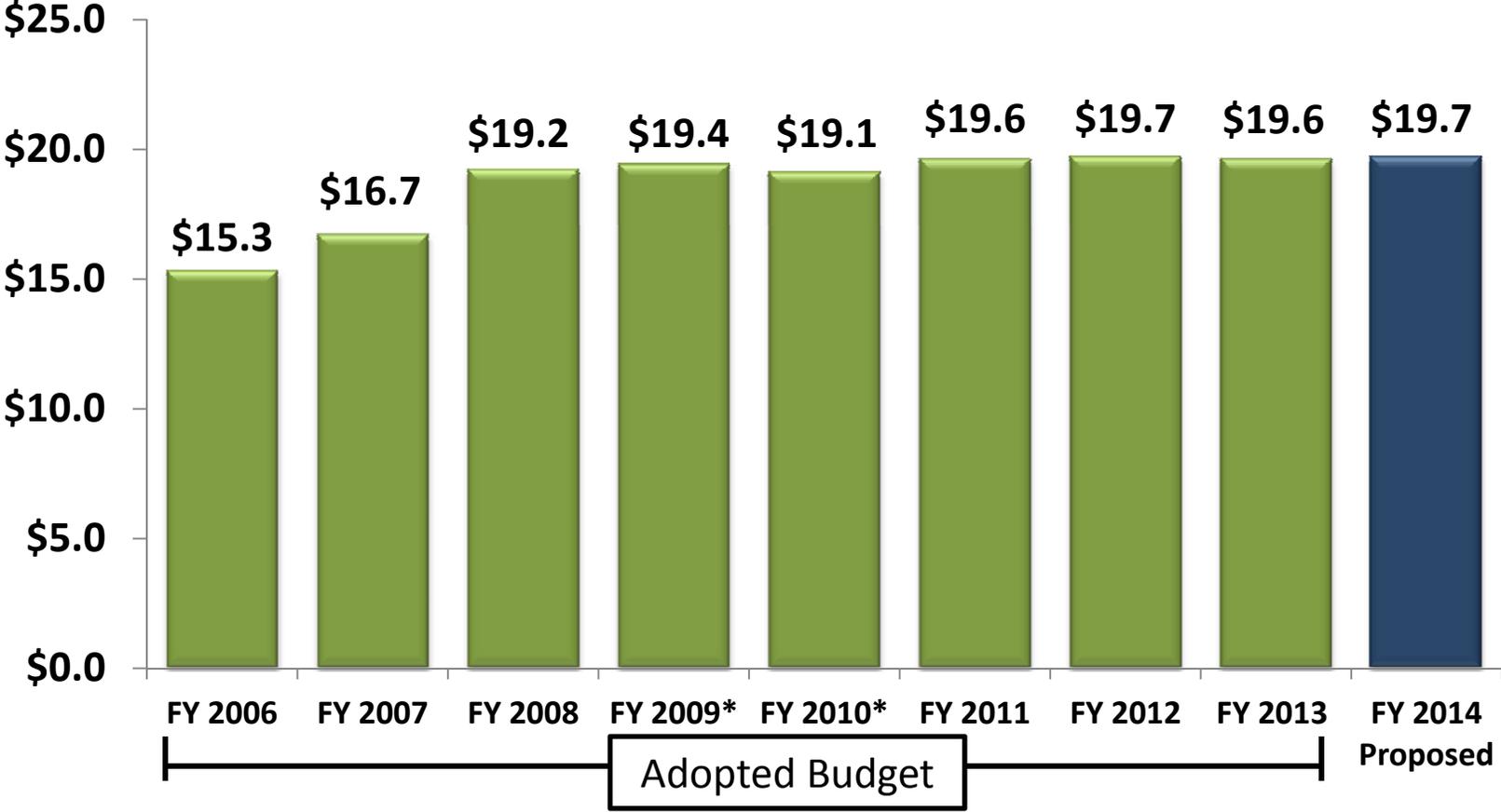


# FY 2014 Proposed Budget

# Budget History

(\$ in Millions)

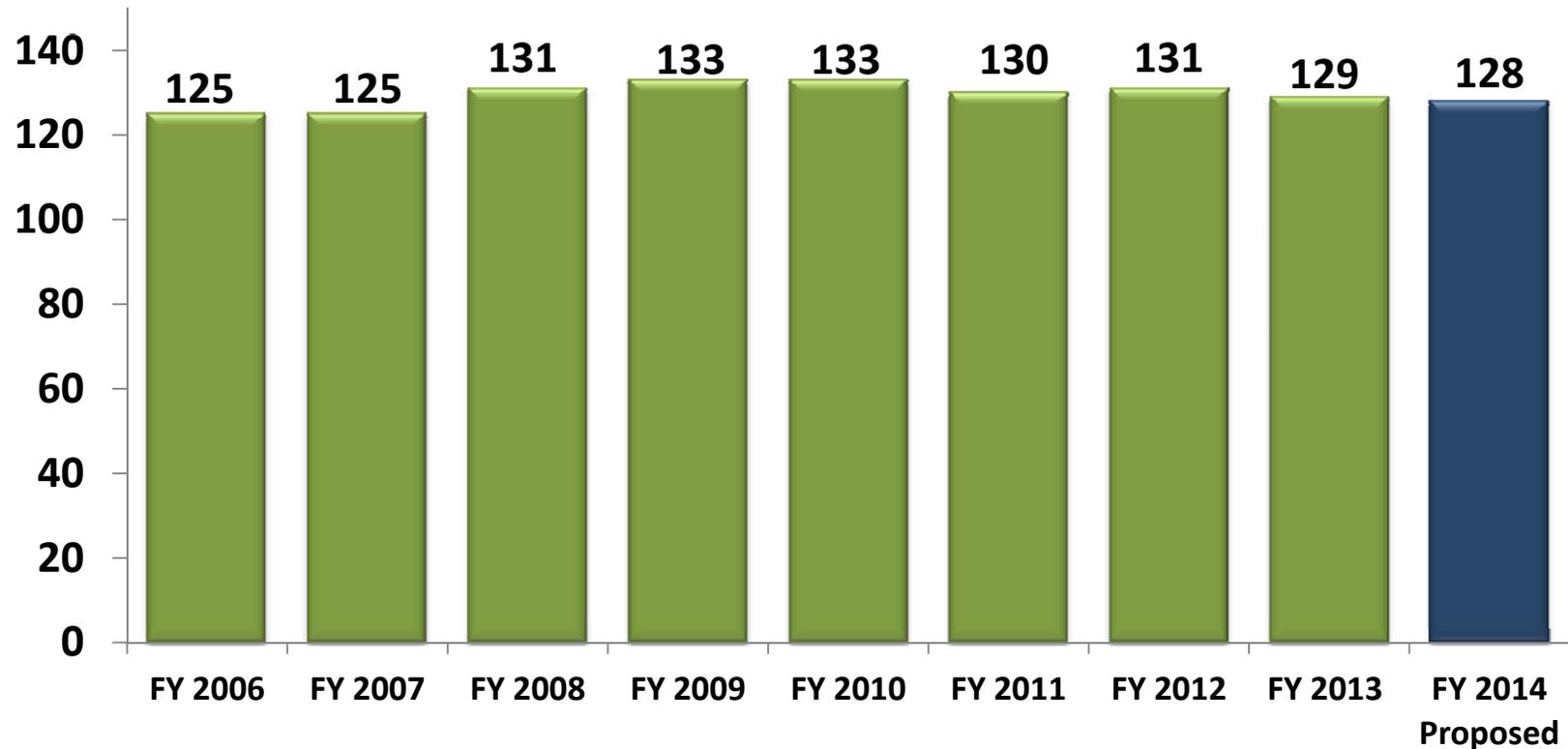
- CVB budget has increased 29% between FY 2006 & FY 2014



\*Revised Budget

# Personnel History

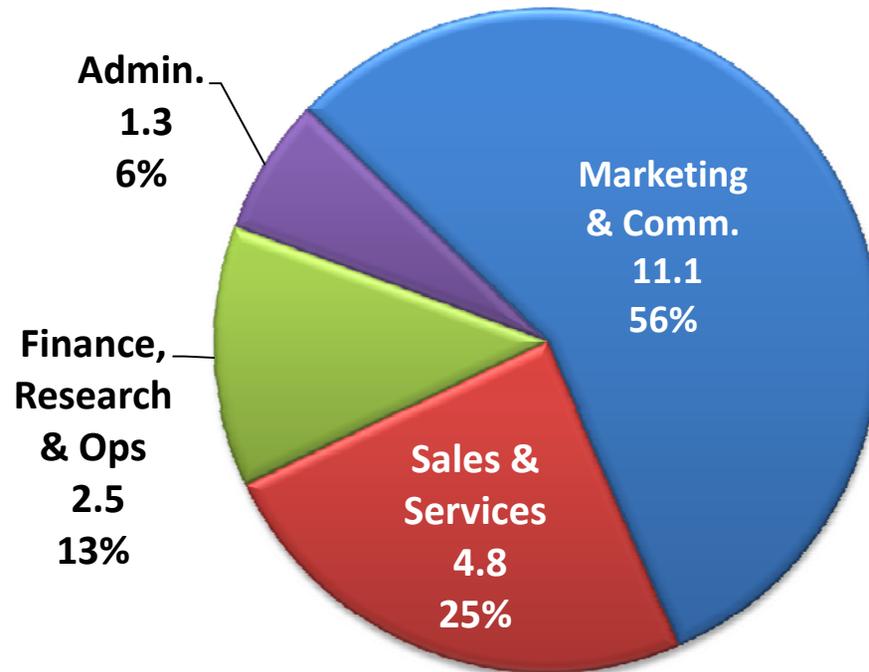
## CVB Authorized Positions



# FY 2014 Proposed Budget

| (\$ in Millions)              | FY 2013<br>Adopted Budget | FY 2014<br>Proposed Budget | Change |
|-------------------------------|---------------------------|----------------------------|--------|
| Convention & Visitor's Bureau | \$19.6                    | \$19.7                     | \$0.1  |
| Authorized Positions          | 129                       | 128                        | (1)    |

## FY 2014 Proposed Budget by Program: \$19.7 M





# Conclusion

# Conclusion

- Continue to sell and market San Antonio
  - Launch of new campaign “Unforgettable”
- Promote Convention Center Transformation
- Implement Long Term Strategic Plan
- Celebrate San Antonio’s 300 year anniversary



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