

**State of Texas**  
**County of Bexar**  
**City of San Antonio**



**City Council Special Session**

No in-person access for this meeting

**Thursday, December 3, 2020**

**1:00 PM**

**Videoconference**

**ROLL CALL**

City Clerk Tina Flores took the Roll Call noting a quorum with the following Councilmembers present:

**PRESENT:** 11 - Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry

1. Briefing on the 2021 Visit San Antonio Business Plan to include the San Antonio Tourism Public Improvement District. [Carlos Contreras, Assistant City Manager; Patricia Muzquiz Cantor, Executive Director, Convention and Sports Facilities]

Jeffrey Arndt, President and CEO, Via Metropolitan Transit reported that in 2020, the City experienced the effects of the COVID-19 Pandemic resulting in lost economic impact of \$410,852,497 through the cancellation of 254 meetings. He noted that the meetings represented 640,000 attendees and 620,550 room nights. He indicated that the current model was a hybrid format which included socially-distanced audiences and virtual attendees.

Mr. Arndt stated that prior to the COVID-19 Pandemic, 140,000 San Antonians were employed in the visitor sector. He noted that earlier this year, the number decreased and more than 115,00 of those employees were now back at work.

Cassandra Matej, President and CEO, Visit San Antonio reported that Visit San Antonio (VSA) held a hybrid meeting at the Henry B. Gonzalez Convention Center on December 2, 2020 to showcase the way a meeting could be held in person. She presented a video depicting the

resiliency of the Tourism and Hospitality Industry.

Ms. Matej stated that in the Spring of 2020, VSA ceased to market San Antonio as a destination because of the COVID-19 Pandemic, and to save funding for the future. She noted a third of VSA’s Budget was cut which impacted the VSA Team and VSA programs. She indicated that industry experts determined that it would be late 2023 or early 2024 before the industry would fully recover.

Ms. Matej reported that on June 15, 2020, VSA launched a promotion called “Si San Antonio” encouraging travelers to come to San Antonio. She noted that immediate consumer feedback informed VSA that it was not the right time and the organization was restructured. She indicated that the VSA Budget declined by 42% in 2020 from the original Budget. She presented the VSA Budget overview:

	<b>FY 2020 Adopted Budget</b>	<b>FY 2020 Re-Estimate</b>	<b>FY 2021 Adopted Budget</b>
VSA	\$27.58*	\$18.48	\$15.82
SATPID	\$10.95	\$6.43	\$5.48
Combined	\$38.53	\$24.91	\$21.30

\*in millions

Ms. Matej stated that revenue for FY 2021 from the Hotel Occupancy Tax (HOT) was \$15.13 million and other revenue was \$690,000. She presented a breakdown of how revenues would be spent in FY 2021:

- Sales and destination experience - \$4.82\*
- Marketing, Communication & Tourism - \$7.45
- Visitor Information Center - \$.70
- Partner & Community Relations - \$.95
- Administration/Finance/Research - \$1.56
- Reserves - \$.35

Ms. Matej presented the FY 2021 San Antonio Tourism Public Improvement District (SATPID) Service Plan:

- Marketing - \$2.71\*
- Sales - \$2.22
- Industry Partnerships - \$274,000
- Research & Administration - \$164,000
- Contingency Marketing/Sales Funds - \$110,000

Henry Feldman, Chairman, SATPID stated that it was projected that by 2020, at least \$10 million would be generated by local hotels. He noted that the COVID-19 Pandemic altered that. He indicated that the SATPID was great for the community and provided the fuel to drive VSA forward. He added that consideration of the FY 2021 SATPID Service Plan on December 10,

2020 represented a critical step.

Ms. Matej stated that staff partnered with the City to facilitate a public hearing for the District renewal and approval and notices would be sent to all hotel property owners in the District at least 10 days prior to the hearing. She indicated that hotels with 100+ rooms were members of the SATPID and a 1.25% District assessment was applied to those members. She noted that the tax assessment roll included 154 properties within the District. She added that at least 90% of all funds collected must be designated for sales and marketing.

Ms. Matej stated that the vision of the VSA Strategic Plan (Plan) was to elevate San Antonio as a must experience destination where Texas culture and history began and the mission was to bring the world to San Antonio. She added that the aspirational targets for the Strategic Plan included a return to pre-COVID levels by the end of 2023 with 40 million visitors, 11 million room nights, and a 67% occupancy rate.

Ms. Matej reported that the Plan goals included:

- Strategic sales and marketing
- Collaborative destination management
- Transformational partner and community engagement
- Innovative and results-oriented organization

Ms. Matej stated that the Plan organizational priorities included:

- Diversity and inclusion
- Help the business community

Ms. Matej reviewed the core values of the Plan and the Virtual San Antonio website. She reported that VSA Executive Leadership Team Members provided food to the homeless, handed out meals for the San Antonio Food Bank, and worked with the “To Go for Good” Initiative. She indicated that VSA partnered with the Economic Development Transition Team to create the Greater. Safer. Together website.

Ms. Matej reported that 59 conventions would be held with 249,470 in estimated attendance for a potential economic impact of \$196,228,874. She indicated that the marketing goal was to reach 27 million online engagements. She noted that this would be accomplished by:

- Focus on regional markets
- Reinforce all marketing activity in Mexico
- Spring and Summer of 2021 to represent 85% of the expenditures

Ms. Matej stated that the communications goal was to reach 4 million in earned media value and this would be accomplished by:

- Focus on regional markets
- Reinforce all communications activity with Mexico

- Will respond “reactively” to national and international stories

Ms. Matej indicated that the tourism goal was to reach 1.2 million international travelers and this would be accomplished by:

- Expand relationship with tourism operators in U.S. and Mexico
- Consumer events with Rio Grande Valley (RGV) and others where available
- Online Travel Agencies (OTA) and vacation rentals
- Research and data
- Partnership with SAT to support airline recruitment and retention

Ms. Matej stated sales goals included: 1) 281 events; 2) 735 leads; and 3) 22% closure ratio which would be accomplished by:

- Being on the forefront of trends for recovery
- Closing the gap
- Increasing a high level of industry visibility

Ms. Matej reported that destination experience goals included a 3.9/4 satisfaction score and six client engagement events. She noted that the destination experience key priorities were to: 1) Enrich the planning experience; 2) Market San Antonio as a safe and authentic destination; and 3) Enhance client experience and engagement.

Ms. Matej stated that partner and community relations goals included 500 members and 1,000 Certified Tourism Ambassadors. She indicated that the partner and community relations key priorities were to advocate for the industry in government relations and engage with elected officials and partners.

Ms. Matej noted that legislative program initiatives included economic recovery, growth, and sustainability, municipal revenue, and protection of travel and tourism interests. She indicated that the next 4-5 months would be difficult with a strong rebound expected in the second half of 2021. She stated that domestic and drive travel would lead the recovery and history confirmed that travel would return.

Mayor Nirenberg stated that VSA should incorporate health and safety in their message to promote confidence. He noted that Community Labs provided assurance testing and was a local company. Ms. Matej stated that she contacted Community Labs and would meet with them soon.

Councilmember Pelaez suggested that the City advocate for: 1) Restoring the entertainment business expense deduction; 2) Boosting Community Development Block Grants (CDBG) to promote healthy travel; and 3) Reinstating the net operating loss deduction in their legislative agenda.

Councilmember Rocha Garcia spoke of the need for protection of the workforce and a digital strategy for targeting certain audiences.

Councilmember Cabello Havrda asked if the VSA was accountable to the City Council. City Manager Walsh reported that two members of the City Council and the City Manager were members of the VSA Board. He noted that board actions by the VSA did not require City Council approval. He added that he would provide Councilmembers with VSA's management agreement. Councilmember Cabello Havrda requested a quarterly meeting with Ms. Matej.

Councilmember Courage asked what percentage of the marketing Budget was allocated for regional travel. Ms. Matej stated that nearly 80% of the marketing Budget was allocated to regional travel.

Councilmember Viagran asked how many city employees funded by HOT had been brought back to work. City Manager Walsh reported that 267 employees were furloughed and the City began bringing employees back to work in June 2020. He added that there were some employees who decided to retire and some employees were deployed in other departments.

Councilmember Gonzales spoke of the lack of respect for workers in the hospitality industry. She questioned the timing of the marketing plan.

Councilmember Treviño suggested that the VSA Advisory Committees present to the City Council. Ms. Matej stated that there were Advisory Committees in Arts and Culture, Culinary, and Leisure which provided information to VSA.

**ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 3:02 pm.

**APPROVED**

**RON NIRENBERG**

Mayor

Attest:

**TINA J. FLORES**

City Clerk