

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



**Meeting Minutes
City Council Budget Work Session**

Council Briefing Room
City Hall
100 Military Plaza
San Antonio, Texas 78205

2023 – 2025 Council Members

Mayor Ron Nirenberg
Dr. Sukh Kaur, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6
Marina Alderete Gavito, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Marc Whyte, Dist. 10

Wednesday, September 4, 2024

2:00 PM

Council Briefing Room

The City Council convened a Budget Work Session in the Council Briefing Room beginning at 2:06 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 – Nirenberg, Kaur, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Alderete Gavito, Pelaez, Courage, Whyte

ABSENT: None

ITEMS

1. Staff presentation on the FY 2025 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives: [Erik Walsh, City Manager; Justina Tate, Director, Management & Budget]

A. Convention and Sports Facilities

B. Arts and Culture

C. Visit San Antonio

Director of the Office of Management and Budget (OMB), Justina Tate provided an overview of the Hotel Occupancy Tax (HOT) which was a 9% tax levied on room nights at hotels and short-term rentals in San Antonio; 2% of the 9% was restricted and funded the Convention Center debt and the remaining 7% was split between VSA (35%), CSF (35%), Arts & Culture (15%) and Historic Preservation (15%).

A. Department of Arts & Culture (Arts)

Director of the Department of Arts & Culture (Arts) Krystal Jones stated that the department's mission was to enrich quality of life by leading and investing in San Antonio's arts and culture. She reported that the FY 2025 Proposed Budget was \$14 million, \$13.5 million was from HOT and \$500,000 was from the General Fund to support Public Art Maintenance. Jones added that the Proposed Budget was a 3% increase over the prior year.

Jones stated that the department planned to provide \$7.3 million in HOT Funds in grants supporting 2,500 programs, hosting 2.9 million attendees, and showcasing 1,290 artists. She noted that FY 2025 was the first year of a three-year funding cycle for 38 agencies, 10 of which were designated as "culturally specific." According to Jones there would be 25 grants for events and 30 grants for artists to create new works.

Jones stated that the plan was to maintain 27 works of public art in FY 2025 and create a collection management system. She indicated that utilizing the percent for art in the 2022 Bond Program, seven new projects were anticipated to be completed in FY 2025.

Jones stated that additionally, the department hosted its own events annually and targeted 26 events with 23,000 attendees showcasing 76 artists. Jones closed her presentation by highlighting the work of the Film Division which facilitated 404 days of filming by TV series, docuseries, and commercials.

B. Conventions and Sports Facilities (CSF)

Director of Conventions and Sports Facilities (CSF) Patricia Muzquiz Cantor provided an overview of the department's asset including the Henry B. Gonzalez Convention Center (HBGCC), Alamodome, Carver Community Cultural Center (Carver), and the Lila Cockrell Theater. She reported that the department had an overall Proposed FY 2025 Budget of \$119.1 million (a 26% increase over the prior year), of which 63.2 million was from the Community and Visitor Facilities Fund which was a 9.1% increase over the prior year. Cantor stated that the Capital Fund increase of 29.4% was for renovations. She noted that the Proposed Budget included \$1.6 million in General Funds for the operations of the Carver and State Reimbursement Funds were expected to nearly double mostly due to one-time funding to support the National Collegiate Athletic Association (NCAA) Men's Basketball Final Four.

Cantor estimated 117 events at the Alamodome for FY 2025 that was estimated to bring 1,377,749 attendees at a level of \$15.41 per attendee. She expected 275 events at HBGCC for an exhibit hall occupancy rate of 70% with 767,075 attendees anticipated. Cantor stated that the

FY 2025 Proposed Budget included \$141,513 to enhance Event Ticket Management and added funding for two positions to support box office operations at the Alamodome and Convention Center.

Cantor proposed to increase the Alamodome Parking Fee from the current rate of between \$10 and \$40 per space to a proposed rate of between \$10 and \$60 per space resulting in an overall revenue increase of \$718,554. She stated that additionally, an increase in the ticket fee from the current rate of \$5.50-\$6.00 per ticket to \$6.50 per ticket would result in an increase of \$318,735. She also proposed to increase Convention Center Licensee Parking from \$8 per space to \$15 per space for an estimated increase in revenue of \$26,285.

Cantor outlined \$13.4 million of capital improvements at HBGCC and \$22.2 million at the Alamodome, of which \$13.9 million was related to the NCAA. Cantor outlined major Alamodome events such as conventions, conferences, concerts at the as well as special arts performances and educational programs at Carver Community Cultural Center including a mobile Carver Creative Cruiser Van.

Cantor stated that the FY 2025 strategic focus included a HBGCC partnership with Visit San Antonio to increase large association conventions and grow corporate City-wide conventions. She added that the Alamodome included a partnership with a booking agency with a goal to increase marquee events, increase exposure at industry networking events, and grow and strengthen relationships with promoters.

Cantor closed her presentation by commenting on the potential new funding for improvements to the HBGCC and Alamodome which was a result of new State Legislation. She stressed that renovations were needed to keep San Antonio competitive for major conferences, concerts, and sports events including the NCAA.

C. Visit San Antonio (VSA)

President and Chief Executive Officer of Visit San Antonio (VSA) Mark Anderson presented the FY 2025 Proposed \$31.3 million Budget, of which \$28.4 million was from HOT. He mentioned that other funding came from membership dues, riverwalk events, partner programs and sponsorships, and the Tourist Public Improvement District (TPID). Anderson noted that VSA was the only organization proactively marketing San Antonio as a hospitality and tourism destination for both business and leisure. He reported that total economic impact of the Hospitality and Tourism Industry was \$21.5 billion in FY 2023 which was a 11% year over year increase and the Total Tax Revenue was \$280 million. The over \$147,000 tourism related jobs employed one in eight of San Antonio residents, according to Anderson.

Anderson provided an overview of the FY 2025-FY 2030 Five Year Strategic Plan with an objective to establish San Antonio as a premier global destination for tourism and conventions, showcasing the “Real + True” American experiences through protecting the drive market, expanding outreach across the United States, bolster San Antonio’s influence in key and emerging global markets, and secure more meetings and conventions for the HBGCC and stakeholders throughout all ten council districts.

Anderson stated that 47% of VSA's funding was dedicated to storytelling marketing/advertising, communications, tourism), 37% for destination and convention sales and experience, 2% for partner and community relations, 5% for riverwalk events, and 9% for administration. He added that in addition, VSA supported San Antonio Hospitality Foundation Endowed Scholarships.

DISCUSSION:

All Items were discussed simultaneously.

Mayor Nirenberg opened the discussion by thanking all the departments for their presentations. He noted that the Alamodome was funded with a half-cent sales tax in 1984 and asked how the Alamodome had been performing financially. Cantor stated that the economic impact of 90,000 fans that attended the two Luke Combs Concerts was because they stayed in hotels, ate in restaurants, and bought souvenirs. Over the 30 years of the Alamodome, there had been a \$4 billion economic impact according to Cantor. Mayor Nirenberg commented that the Alamodome was a competitive business line and the City should invest in it so it could continue to generate revenue for our City.

Councilmember Cabello Havrda agreed that the Alamodome was an economic generator that needed a new narrative. She noted that all three of these presentations represented entertainment which might lead folks to think they were not important, but all were hugely impactful to our economy. Councilmember Cabello Havrda commented that the revenue per attendee at the Alamodome was expected to go down by \$1. Cantor stated that each event was negotiated on its merits and some events were worth negotiating heavily adding that some fees and costs to traffic were being moved into the CSF Proposed Budget including systems to allow attendees to reserve parking during major events.

Councilmember Cabello Havrda suggested collaboration with downtown circulator vehicles to allow people to park further out.

Councilmember Cabello Havrda asked about artist grants and recommended working with emerging artists and not the same ones every time. Jones stated that the size of the grants were being increased because of feedback from artists which would mean fewer grants. Anderson noted that VSA had invested \$50,000 in artists which were college students.

Councilmember Cabello Havrda thanked Jones for the new public art on Old Highway 90 which was a result of extensive community engagement. She appreciated that artists were small businesses that also brought culture and camaraderie to our communities. Councilmember Cabello Havrda suggested engaging with Seniors in Play held at the Senior Centers. Jones stated that Arts had helped with their larger event at the Theater. Tate mentioned that Seniors in Play was a DHS Delegate Agency funded at \$100,000. Councilmember Cabello Havrda requested a \$25,000 increase to Seniors in Play.

Councilmember Rocha Garcia questioned how often the AstroTurf needed to be replaced and who paid for it. Cantor stated that it had to be replaced every eight years and was a cost to the City. Councilmember Rocha Garcia asked why the number of event days at the Alamodome for FY 2025 was lower but attendees were higher. Cantor stated that this was due to the particular

events related to the final four expecting more attendees.

Councilmember Rocha Garcia asked whether Alamodome events in 2021 were COVID-related and why occupancy rates were only set at 87% for the FY 2025 target. Cantor indicated that the 2021 events were for the Women's final four and occupancy levels at the Alamodome could not be higher than 87% because 57 open days were during holidays. Councilmember Rocha Garcia noted that CSF was proposing to add positions for the box office and asked about the hours of operations. Cantor stated that the box office was open during regular business hours.

Councilmember Rocha Garcia inquired about who would receive the revenue for the parking increases and whether the rates would increase for community events; she also requested a list of community events. Cantor stated that revenue sharing was dependent on the negotiations for the particular event, community events such as high school graduations were \$10 and some parking was blocked off to allow employees to park but some were offered as buyouts.

Councilmember Rocha Garcia requested the name of the booking agency. Cantor reported that the agency, Venue Coalition, was selected because they knew about the major events coming and their services had been significantly beneficial. Councilmember Rocha Garcia pointed out the different revenues listed for the Alamodome and noted fluctuations. Cantor noted that Alamodome discrepancies were due to negotiations for specific events.

Councilmember Rocha Garcia asked how the public art maintenance funding could be used and requested a list of art maintenance projects by council district. Jones stated that restoration of existing public art in many different ways was allowed under the program and she could provide a list of projects. Councilmember Rocha Garcia suggested that public art could be used to help deter illegal dumping.

Councilmember Rocha Garcia asked how the Arts Agency Grant Funds were used and if there was maximum limit on operational expenses. Jones stated that the funding could be used for administration, marketing, production, contracted artists, venue and equipment fees, and the grant amounts were allocated on a graduated scale based on the organization's last three years of IRS 990s; all agencies leveraged other dollars with none receiving 100% of their operational Budget from the City. Councilmember Rocha Garcia suggested that artists could apply for small business grants. Jones agreed and added that there was a partnership with LaunchSA. Councilmember Rocha Garcia supported functional art such as shade structures, traffic calming, and drainage solutions. Jones indicated that the department was looking at more interactive art and engagement with other departments such as the Office of Sustainability and Public Works.

Councilmember Pelaez supported Councilmember Cabello Havrda's requested increase for funding to Seniors In Play. Councilmember Pelaez listed amounts allocated to different arts agencies and asked why the San Antonio Philharmonic was not included in the funding. Jones stated that the San Antonio Philharmonic did not qualify due to not having three years of IRS 990s, however, staff set aside \$111,055 and was considering recommending funding based on two years of IRS 990s when they came in November 2024. Councilmember Pelaez noted that the Opera and Ballet were putting on fewer shows than the San Antonio Philharmonic which supported more artists. Jones stated that the department recommended an equity model as it made sure artists were paid. Councilmember Pelaez stated that the San Antonio Philharmonic

was the only unionized classical music agency and the ballet and opera gave most of their money to the Classical Music Institute (CMI). Councilmember Pelaez recommended funding the San Antonio Philharmonic at \$111,055 now as not funding them seemed like it was retaliatory. City Manager Walsh refuted the suggestion that not funding the San Antonio Philharmonic was “retaliatory” and asserted that there was a process and guidelines approved by the City Council which staff followed; but the City Council could make any adjustments and ultimately approve funding.

Councilmember Kaur supported the maintenance of Light Channels artwork at the I-37 underpass at Commerce Street and recommended a strategic plan and timeline for lighting up all of the underpasses downtown and the one at North Flores between five points and downtown. Councilmember Kaur requested metrics for the arts agencies. Jones stated that the metrics included the number of events, attendees, and artists as well as demographics and geographic representation. Councilmember Kaur recommended providing assistance to agencies and artists with outreach and marketing. Councilmember Kaur asked if renting artwork was allowed. Jones stated that the department could help make connections through the Artist Registry and provided sample contracts.

Councilmember Kaur requested clarification on the funding sources for CSF, if the hosting obligations were paid to VSA, and requested a breakdown of revenues and expenses for HBGCC and the Alamodome. Tate reported that CSF was funded by HOT for \$181 million and the rest was from revenues from the buildings; hosting obligations helped offset rent for specific events and did not go to VSA. Councilmember Kaur asked if the Alamodome had a booking agency previously and was an RFP released. Cantor indicated that the contract with Venue Coalition was new but was under \$50,000 so it was executed administratively. Councilmember Kaur supported more bussing or last mile transportation to the Alamodome events and partnership for parking with notifications to patrons about parking options.

Councilmember Kaur requested detailed performance metrics from VSA including the difference between the economic impact of \$21.1 billion and the \$858 million generated directly by VSA’s efforts. Anderson stated that they tracked actual direct return on investment based on their efforts to get the \$858 million number but the \$21.1 billion was based on industry standard metrics and estimates and included hospitality jobs and ancillary spending. Councilmember Kaur asked why some businesses right next to HBGCC were not getting an increase in business during Conventions. Anderson was not sure about those businesses but noted that businesses who were VSA members typically saw a return on investment.

Councilmember Castillo was pleased that the HOT had recovered from the COVID-19 Pandemic and the college sports events. Councilmember Castillo stated that residents were pleased with the new public art in her council district and she supported functional art such as lighting and art as shade. Councilmember Castillo noted that some San Antonio Philharmonic musicians had reached out and requested \$400,000 and she recommended making an exception to the policy for them since they were providing a lot of free concerts.

Councilmember Castillo requested clarification on the parking fee increases and expressed concern that the increases might be too high, which might incentivize eventgoers to park in neighborhoods and walk to the Alamodome. City Manager Walsh explained that the parking fee

depended on the event and the proposed change in the Budget would allow CSF the latitude to increase the fees only for events that could support the increases and provide another negotiation tool. Councilmember Castillo recommended reinstating downtown trolleys with VIA Metropolitan Transit as their busses sometimes took patrons far away from the event.

Councilmember McKee-Rodriguez noted that the Alamodome was in Council District 2 and recommended adding large art to the building to beautify it. He expressed concern that the Carver Community Cultural Center had a major roof leak last year impacting youth programs so he recommended additional support for the Carver since they were in the community.

Councilmember McKee-Rodriguez supported keeping public art well maintained and the additional support for culturally specific organizations, events, and emerging artists. He stressed that artists were the heart and soul of the City and deserved to receive grants to create works. Councilmember McKee-Rodriguez supported \$400,000 for the San Antonio Philharmonic. He requested more money for asphalt art as it was a traffic calming program in cities across the country funded by Bloomberg Philanthropies.

Councilmember McKee-Rodriguez commented that Council District 2 was a cultural area with substantial arts and cultural destinations and asked VSA to expand its marketing from downtown to Council District 2 so visitors could see the City had a vibrant Black community.

Councilmember Alderete Gavito noted that the State Reimbursement Fund was increasing by 180% which was due to NCAA. She asked how Alamodome revenues could be increased. Cantor stated that hiring a booking agency should help. Councilmember Alderete Gavito recommended ensuring that improvements at the Alamodome get completed in time for the Valero Alamo Bowl and other events. City Manager Walsh mentioned that the Arena Public Address System replacement was on the City Council agenda for consideration next week.

Councilmember Alderete Gavito supported more underpass lighting downtown and light-as-art especially in Council District 7. She thanked Jones for the breakdown of the agencies that were funded and asked if the organizations had metrics to meet in order to receive funding. Jones stated that they needed to be a San Antonio-based non-profit arts agency in business and programming for the past three years, but the department collected metrics quarterly such as attendance and events and the funding was on a reimbursement basis.

Councilmember Alderete Gavito requested VSA's metrics and asked which were the most successful advertising platforms. Anderson stated that VSA took social media in-house and have received more following and most of the marketing was digital. Councilmember Alderete Gavito noted that the riverwalk was a strategic priority and recommended making the riverwalk more appealing to residents as well. Anderson stated that VSA had spent effort marketing to local communities with free concerts at the Arneson and other events. She noted that parking was a major issue downtown for residents.

Councilmember Whyte asked if most cities measured their convention centers by rentable square foot rather than attendee. Cantor noted that some conferences did not provide their number of attendees as they were considered proprietary but total economic impact was another common measure.

Councilmember Whyte acknowledged that the Alamodome was 30 years old and commented that these facilities did not have a long life-span so he wanted to make sure we were not continually dumping money into the facility when another path might be more economically viable.

Councilmember Whyte stated that the arts and culture community were essential to our community but he did not support \$26,000 per piece of artwork for maintenance of public art. He asked about the increase in amounts for the artists grants. Jones explained that artists costs had risen since the program started and \$5,000 was not enough to create a public program so it was increased to \$7,000 and \$15,000.

Councilmember Whyte requested detailed metrics from VSA and asked if there had been a change in flying to San Antonio. Anderson stated that there was 2% increase in domestic air travel across the United States in the past year and VSA was specifically targeting Germany, the United Kingdom, and China and was expecting more visitors from those countries. Councilmember Whyte commented that people who flew to San Antonio spent more than those that drove. Councilmember Whyte asked what attracted visitors and the age demographic of visitors. Anderson stated that San Antonio visitors skewed older (45+) and they came to experience our culture, diversity, the Riverwalk, and the Alamo.

Councilmember Courage supported funding for the San Antonio Philharmonic beyond their current \$85,000. He asked about Public Art funding. Jones reported that there were 36 Bond Projects throughout the City and most of the 2022 Bond Projects were still in planning. Councilmember Courage recommended public art in the roundabout at 1604 and Sonterra.

Councilmember Courage requested information about use and revenue for the Lila Cockrell Theater. Cantor stated that the theater was used for public events as well as conventions. Councilmember Courage asked about the structural integrity of the Alamodome. Cantor stated that every five years, the facility had a structural assessment, and any recommended repairs were made; the building could last another 100 years but was lacking in modern amenities. Councilmember Courage recommended that CSF work with SA Sports Foundation to solicit national amateur sports events. He asked about the rental cost to use the Alamodome Stadium and the maintenance cost and cleanup. Cantor stated that the rent was about \$50,000 per day and maintenance cost was \$7 million annually but special rates were given to high school graduations and other community events which could even be free, but it was not booked for those events more than six months out.

Councilmember Courage asked Anderson about international offices. Anderson stated that they had partners in Mexico City, Germany, the United Kingdom, and China and increased social media in Canada. Councilmember Courage recommended including St. Paul's Square in their promotions and suggested collaboration with the airport.

Councilmember Viagran supported funding for Public Art maintenance and recommended operational funding for Seniors In Play similar to Bihl Haus Arts. She requested a list of public art that could be used to market to visitors and sister cities. Councilmember Viagran requested information on how much money the arts agencies raised versus how much the City provided. Jones stated that for every dollar spent on arts agencies, \$7.50 was leveraged. Councilmember

Viagran appreciated the work of SOLI Chamber Ensemble and did not support cutting Classical Music Institute (CMI), the ballet, or the opera. She wanted to ensure that there were more guarantees before funding the San Antonio Philharmonic as other agencies needed more funding also such as Magic Theater and the Classic Theater.

Councilmember Viagran commented that the Denver Convention Center was utilizing every inch of space to rent to influencers and others and recommended CSF look into expansion of usage of the HBGCC. She commented that the Little Roadrunner and Old Town Trolley were running downtown to get people around and suggested there needed to be more options. Councilmember Viagran requested a list of events in the Carver lineup that sold out and suggested partnerships with local restaurants to promote a full evening of entertainment for events that had not historically sold out.

Councilmember Viagran noted that she was on the board of VSA and requested a database of the international groups and conferences that came to San Antonio so VSA could connect to those countries. Councilmember Viagran suggested investigating bringing Rugby and other sports such as Cricket to San Antonio. She also recommended keeping the San Antonio cultural feel to the Riverwalk and supported the Stars and Stripes Parade for the 4th of July on Houston Street.

Councilmember Rocha Garcia asked why the Department of Arts & Culture was funding the San Antonio River Foundation (SARF) and the reason for the change in funding for the DoSeum. Jones stated that SARF programmed events along the river and the amounts changed for each cycle based on the agencies' IRS 990s. Councilmember Rocha Garcia requested a list of exceptions that were being made for arts agencies and commented that using arts funding outside the policy was a risky policy direction and suggested that City Council Project Funds (CCPF) could be used.

Councilmember Rocha Garcia supported the idea of bringing back the downtown VIA Trolleys. She appreciated increasing the budget for marketing to Mexico as that was the largest market and asked why Germany, China and the United Kingdom were targeted instead of South America. Anderson stated that it was based on data except in the case of Germany which was because of the direct flights. Councilmember Rocha Garcia requested statistics on visitors from those countries.

Councilmember Kaur recommended more long-term support from VSA for San Antonio Sports. She asked if there was any capital funding for the riverwalk for shade at the Arneson and recommended national marketing for Fiesta. Anderson indicated that VSA worked with the Fiesta Commission and was developing plans for marketing for FY 2025. Councilmember Kaur requested a comparison of other cities return on investment from visitors.

Councilmember McKee-Rodriguez asked if the Nelson Wolff Stadium could accommodate concerts and requested an evaluation of venues City-wide. Cantor noted that the San Antonio Missions booked the concerts for the stadium but there were events there.

Councilmember Whyte supported funding for the San Antonio Philharmonic and moving funds from other agencies to cover the San Antonio Philharmonic's allocation.

Councilmember Viagran recommended making an effort to get boxing back to San Antonio even local gyms getting together for a boxing match adding that people from Monterrey, Mexico

would come for boxing.

Mayor Nirenberg recommended treating all arts organizations the same.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 4:48 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**