


International Downtown Association
 Annual Conference
 October 2010


HISTORIC Market Square
 EL MERCADO
EST. 1821

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Downtown San Antonio





OVER 100 SHOPS OPEN DAILY!
 SUMMER (JUNE-AUGUST) 10 am to 8 pm
 FALL/SPRING (SEPT-MAY) 10 am to 6 pm



Legend:
 A Museo Alameda
 B Produce Rose Shops
 C El Mercado (Shops)
 D Farmers Market Plaza (Shops)
 E Mi Tierra Cafe & Bakery
 F Retail
 G Market Square Office
 H La Margarita Restaurant
 I Parking
 J Public Restrooms (ADA)
 K Public Restrooms

Retail Mix

Category	Number	%	Sq. Ft.	%
Craft	37	37%	34,352	30%
Souvenir	23	23%	20,537	18%
Craft/Souvenir	9	9%	6,054	5%
Apparel	10	10%	5,002	4%
Jewelry	5	5%	1,383	1%
Leather	2	2%	1,772	2%
Music	1	1%	228	0%
Specialty Food	3	3%	1,107	1%
Eating	10	10%	33,560	29%
Vacant	4	3%	9,820	9%
Total	100	100%	113,823	100%

History

- 1923 - Centro de Artes del Mercado was constructed
- 1976 - Redeveloped to serve as a cultural center
- 2007 - Building was transformed into the Museo Alameda Smithsonian




History

- 1938 - Built under the provisions of the National Industrial Recovery Act as an open air municipal truck market and then renovated in 1976
- 1968 - Urban Renewal Agency of the City of San Antonio, "Rosa Verde Project"
- 1972 - San Antonio Development Agency Study resulted in Ordinance to establish Market Square Department








History

- 1994 - EDA Grant funded the revitalization of the Farmer's Market building to create the new Farmers Market Plaza with space for in-line stores, kiosks, food court spaces, specialty spaces and pushcarts
- 2002 - Market Square Master Plan
- 2004 - Market Square Master Plan and Urban Design Guidelines briefly touched upon the need for retail merchandising standards, strengthening of overall presentation and retail architectural facades




History

- 2004 - The re-development of the center section businesses in the Farmers Market Plaza replacing the kiosk-pushcarts concept into store stalls with more room for merchandising
- 2006 - Phase I of the Market Square Improvement project for Produce Row and Concho Plaza included storm drains, paving, power and lighting systems and utility work


History

- 2006 - Destination SA Study
 - A formal long range strategic plan for the San Antonio Visitor Industry.
 - The purpose was to provide the community with a plan to:
 - Enhance the attractiveness of the destination for visitors and residents
 - Protect and enhance the unique cultural and historical characteristics of the San Antonio destination, and
 - Enhance the ability of the visitor industry to create significant economic benefits for the residents of San Antonio.
- 2006 - Retail Management Study Began
- 2007 - Bond Program for Phase II Capital Improvements approved



Retail Management Study

- Grew out of Destination SA study, which recommended:
 - Adjusting hours of operation to meet the needs of the customer;
 - Ensuring the authenticity of merchandise;
 - Infrastructure/exterior improvements needed to the venues;
 - Programming appropriate for the venue; and
 - Contracting with a vendor experienced with hospitality retail
- Market Square began physical improvements Phase I complete, Phase II was in design phase
- Time to evaluate due to lease terms



Retail Management Study - Process

- **Summer 2007** - City issued Request for Proposals (RFP) to identify a consultant to:
 - Provide an analysis of existing retail programs including retail mix, merchandising and authenticity;
 - Analyze pedestrian traffic patterns, sales performance, tenant mix, layout and hours of operations;
 - Perform resident surveys and market projections;
 - Host public meetings to set goals for facilities;
 - Identify recommendations for future management structure.
- **Fall 2007** – Urban Marketing Collaborative selected as consultants
 - Initial site visits and interviews began, pedestrian traffic surveys conducted and phone survey of 400 residents conducted
 - Public Meetings held and some additional surveys administered



Retail Management Study - Process

- **Spring 2008**
 - Additional online surveys targeted to visitor industry were conducted
 - Architect completed a physical assessment of the facility
- **Fall 2008**
 - Study substantially complete, however concerns over lack of feedback from representatives from key professional categories
- **Early 2009**
 - Stakeholder meetings with representatives from a Destination Management Company, Real Estate, Hotel, Restaurant and Developer
 - Consensus was that Market Square needed to develop cohesive professional management to market property and develop an appropriate merchandise mix. Market Square has the potential to create an exciting destination and increase the cultural experience that exists there today.

Retail Management Study - Process

- **Winter 2009** – UMC and staff presented the recommendations of Retail Management Study to the Economic and Community Development Committee



Market Square Issues Review

- Vendor product mix and merchandising
 - Good size market with enough critical mass
 - Mix is unbalanced and lacks specialization
- Operations
 - Infrastructure issues, plan exists for further improvements
- Physical design
 - Create increased flow and synergy both internally and with Downtown



Market Square Issues Review

- Financial performance
 - Produces revenue for General Fund
- Parking
 - Not easily identifiable
- Hours of operation
 - Inconsistent experience
- Marketing and promotions
 - Lack resources to be competitive
- Management structure
 - City Managed



Market Square Recommendations

- Due to highly competitive tourism industry, City not able to manage Market Square to its full economic and cultural potential effectively – look to a separate organization
- Management needs to have strong business acumen but respect cultural character
- Product mix – re-examine tenancies for increased specialization, increased eating and drinking, and cultural food experience
- Leasing – develop a tenant recruitment program, stricter and enforced lease clauses, % rent, carrots/sticks to achieve vision



Market Square Recommendations

- Coordination – increased communication, marketing with private sector
- Marketing, promotion, special events – significant resource allocation including staffing to showcase this cultural asset
- Financial performance – revenue and expense review to improve marketing and managerial position with experience in retail leasing and management, repair and maintenance fund



Recommendation

- The recommendation of UMC is that the City should move forward with transitioning Market Square to management by a separate organization.



**Retail Management Study
Next Steps**

- The Economic and Community Development Council Committee (ECDC) requested that an Ad Hoc Committee be developed to review recommendations of the Retail Management Study, develop a mission, vision and guiding principles and make a recommendation for future management Structure and then report back to the Economic and Community Development Council Committee.

Current Status

- Phase II Capital Improvements began September 2010 and schedule to be complete before March 2011
- As part of FY 10/11 budget process a Special Revenue Fund has been established for Market Square with increased amounts for programming and marketing
- Ad Hoc Committee is scheduled to present mission, vision, guiding principles and management structure recommendation to Economic and Community Development Committee on October 28, 2010



Discussion