THE POWER OF TOURISM

NATIONAL TRAVEL & TOURISM WEEK MAY 7-13, 2017
YOU JUST HAVE TO BE THERE.

At San Diego International Airport, we know three things:

1. Economic competitiveness depends on efficient connections to global markets.
2. The shortest distance between two points is a straight line.
3. There's no substitute for being there.

We offer direct flights to six countries on three continents. This includes exciting new nonstop service to Zürich and Frankfurt beginning this spring.

So we cordially invite you to get off Skype, get on a plane, and get it done. In person.

SAN.ORG/GLOBAL

© 2017 San Diego County Regional Airport Authority. All rights reserved.
LETTER FROM THE MAYOR - CITY OF SAN DIEGO

NATIONAL TRAVEL AND TOURISM WEEK
MAY 7-12, 2017

San Diego’s tourism economy is essential to our city and our quality of life. Tourism puts tens of thousands of San Diegans to work and generates hundreds of millions of dollars in revenue used to pave our streets, build our parks and keep our communities safe.

It’s no secret San Diego is one of the most popular tourist destinations in the country. Last year San Diego was named by Money magazine as America’s best place to visit in 2016, citing our combination of attractions, cultural landmarks, weather and hotels. A similar honor was given by National Geographic Traveler Magazine, which selected San Diego as one of its “Best of the World” destinations.

Of course, recognitions like this don’t come along every day. It’s because of a dedicated group of tourism professionals – thousands of creative advertising and marketing professionals, friendly hotel staff and effective sales people – that San Diego’s tourism industry is worthy of national recognition.

That is why I am proud to recognize the San Diego Tourism Authority and the men and women who work in our tourism industry as part of National Travel and Tourism Week.

San Diego Tourism Authority’s sales efforts and marketing initiatives are producing record-breaking results year after year. In fact, in 2016 San Diego surpassed records in every major category, including the number of visitors to our city, the amount of money they spent and the number of San Diegans who work in the industry.

I want to thank all the men and women who dedicate countless hours of time, energy and creativity to making San Diego’s tourism experience among the best.

Best personal regards,

Kevin L. Faulconer
Mayor
LETTER FROM THE SAN DIEGO BUSINESS JOURNAL

Last fall, I was in a meeting with a prominent local business leader when someone asked him, “Where do you like to go on vacation?”

His reply was that he already lived in a resort, so didn’t feel compelled to leave San Diego very often.

That, in essence, is a perfect description of the San Diego region: It’s idyllic, and few who come here want to leave.

It’s also a perfect summary of the power of tourism on our local economy: The region is so filled with wondrous sights and amazing recreational opportunities that even its residents become its faithful tourists.

That adds up to powerful economic impact that affects virtually every San Diego industry, business and resident. If that sounds far-fetched, well, that’s why we believe this special publication on The Power of Tourism is so important. It’s vital that the business community at large understands the connections to tourism. That impact, those connections, should inform us strategically as we make our own plans for growth, and they should inform our civic and political views. Truly, tourism is an industry that needs our support.

Inside these pages, you’ll learn some important facts, such as: Tourism supports 184,000 jobs in this area, and visitor spending topped $10.4 billion last year alone. More importantly, you will gain a new perspective for how San Diego fits in the global economy, and how tourism has made it a magnet for foreign attention that could pay off in many ways, if we play our cards right.

We hope that you, like us, will feel pride and appreciation for our beautiful region and the men and women who work so hard to keep the world beating a path to San Diego’s doorstep.

Many thanks to the San Diego Tourism Authority for its efforts throughout the year, and for partnering with us on this publication.

Ted Molter
Chairman of the Board

LETTER FROM THE SAN DIEGO TOURISM AUTHORITY

National Geographic Traveler recently named San Diego “a best of the world destination”. Yahoo Travel called us the “#1 buzziest beach town”. And Forbes named us “one of America’s coolest cities”. Media accolades don’t just happen. At the San Diego Tourism Authority, we’ve been telling the San Diego story for 63 years now. We have a rich story to tell the world, from our Cali-Baja lifestyle to our world-class amenities that attracts people, businesses and investment from around the world.

At the nonprofit San Diego Tourism Authority, our mission is to drive visitor demand to economically benefit the San Diego region. Our board of directors reflects all sectors of the tourism economy, from hotels and attractions to tours and transportation to restaurants and craft breweries to event organizers and arts organizations. Through strong stewardship and community engagement, San Diego Tourism is stronger than ever. Team San Diego continues to deliver record breaking results with more visitor spending, job creation and tax revenues than ever before.

There are 12,000 businesses that comprise San Diego’s tourism sector, and 1 in 8 San Diegans work in the industry. Tourism provides a foundation for the regional economy to thrive and enhances our quality of life. On behalf of the staff and nearly 1,000 member businesses of the SDSA, we thank you for your support of San Diego’s tourism community.

Ted Molter
Chairman of the Board

San Diego Tourism Authority
FY 17 Board of Directors
Luis Barrios
Hilton San Diego Airport – Harbor Island
Ann Berchtold
ART SAN DIEGO / BTB-ART, Inc.
John Blem
1st Vice Chair
Evans Hotels
Fred Glick
CRA Representative
Karl Strauss Brewing Company
Marilyn Hannes
2nd Vice Chair
SeaWorld San Diego
Kevin Konopasek
The Dana on Mission Bay
Elvin Lui
Ocean Park Inn
Scott McGaugh
USS Midway Museum
Kris Michell
Secretary
Downtown San Diego Partnership
Jennifer Miller
President
ACCESS Destination Services
Ted Molter
FY 2017 Chair
San Diego Zoo Global
Jim Odel
HMG Hospitality

Michael O’Donohue
Penzy San Diego
Anthony Palmieri
Yellow Radio Service
Jimmy Parker
Productions by Parker
Robert Rausch
RAR Hospitality

Huntley Paton
President & Publisher
BLAZE YOUR OWN PATH.

Growing your business can sometimes feel like venturing into unknown territory. We’ll help you identify obstacles and protect your future so you can focus on exploring new opportunities.

We’re ready. Let’s go.

Learn more about our insurance solutions for growing businesses:

barneyandbarney.com
San Diego tourism is thriving. The region set an all-time record with $4.9 billion in visitor spending in 2016 that spent $10.4 billion in our region. It wasn’t a one-year blip, either. Compared to 2010, hotel visitors are up 26 percent; airport arrivals are up 22 percent; border crossings have increased 23 percent; Amtrak ridership is up 25 percent; and convention center attendee totals are up 28 percent.

Compared to 2010, hotel visitors are up 26 percent; airport arrivals are up 22 percent; border crossings have increased 23 percent; Amtrak ridership is up 25 percent; and convention center attendee totals are up 28 percent.

The signs are everywhere: San Diego tourism is thriving. The region set an all-time record with $4.9 billion in visitor spending in 2016 that spent $10.4 billion in our region. It wasn’t a one-year blip, either. Compared to 2010, hotel visitors are up 26 percent; airport arrivals are up 22 percent; border crossings have increased 23 percent; Amtrak ridership is up 25 percent; and convention center attendee totals are up 28 percent.

By another measure, hotel room night demand grew again in 2016, up for the seventh consecutive year. The ramifications extend far beyond the tourism industry. As the second-largest traded economy in the region, tourism supports 184,000 jobs that cannot be outsourced. And for many, those jobs are the start of productive careers.

"Many hospitality jobs are often the entry to a variety of careers," said Manpower President and CEO Phil Blair. "Skill sets are developed that can take individuals in directions inside and outside the industry. Many executives recall that they first learned the value of poise, people skills, accountability, and responsibility in jobs they held early in their careers in the hospitality industry.

"The tourism industry is an economic driver that often is underappreciated," he continued. "Business owners first visit San Diego on vacation and then realize its potential for relocation or expansion of their business here. For example, international airlines are beginning to recognize that service into San Diego not only serves the vacation market, but can also develop into a lucrative route serving business travelers," he said.

Local governments throughout San Diego County continue to rely on a robust tourism economy that generates approximately $267 million in transient occupancy tax revenues. More than 175 organizations, programs, and capital projects receive funding from San Diego transient occupancy tax proceeds, for example.

Tourism officials are optimistic the momentum will continue through 2017, partly on the strength of a strong event calendar that includes the Farmers Insurance Open, World Baseball Classic, Red Bull Air Races, Comic-Con International, KAA-BOO Del Mar, Extreme Sailing Series, Breeders’ Cup, San Diego Beer Week, and the Holiday Bowl.

With support from the Tourism Marketing District (TMD), the San Diego Tourism Authority (SDTA) has launched a marketing campaign in Los Angeles and Phoenix, showcasing events that will entice visitors to San Diego.

The TMD is an active partner, providing funding support for select events which are poised to generate visitor demand. "Some of these events are here only because of TMD support," noted the San Diego Tourism Authority’s President and CEO, Joe Terzi.

These events are just part of the multidimensional marketing campaign developed and executed by SDTA. Its annual report for fiscal year 2016 reflects several milestones, including 1.1 million convention center group room nights booked and 9.3 million visitor inquiries. Its advertising campaign delivered 1.3 billion impressions last year, and a robust domestic and international media relations campaign produced $31 million worth of unpaid news media exposure for San Diego as a leisure and business travel destination.

At the same time, tourism officials see plenty of opportunity for continued growth. San Diego routinely is touted as one of the top leisure destinations (ranking fifth in the nation in domestic leisure trips) and often is listed as a business-smart destination.

But in recent years, its tourism growth rate has lagged that of other major West Coast cities. San Diego’s meetings, incentives, exhibitions (MICE) market has seen 11 percent growth in a recent five-year span, less than the 18 percent national average. That represents an opportunity for the destination.

The MICE segment is vital to the San Diego tourism mix and economy. The MICE sector represents about 6 percent of San Diego’s overall tourism economy, but produces 27 percent of all visitor spending. Each MICE group is worth about $650,000 to the local economy.

Tourism officials see a variety of opportunities to bolster multiple tourism segments. San Diego is good at pulling together the hospitality industry to create opportunities to fill lower-demand periods, such as our Kid’s Free promotion every October. San Diego’s diverse sports-and-outdoor event schedule is another way to drive tourism.

Staying fresh, competitive, and focused all are critical to maintaining San Diego’s tourism economy.
TOURISM BY THE NUMBERS

$231 million
TOT revenues budgeted by the City of San Diego in FY 2018 for such services as police, fire, streets, economic development and the arts

$60 million
Projected economic impact for San Diego from Edelweiss Airlines’ nonstop service from Zurich to San Diego in 2018

184,000
Tourism-related jobs, second largest traded economy in San Diego

29,000
Number of new nonstop airline seats to San Diego from Frankfurt and Zurich by two international airlines beginning service in 2017

$10.4 billion
Visitor spending in 2016

$743 million
State and local taxes generated by tourism in 2016

1 in 8
San Diego jobs in tourism that cannot be outsourced

9.8 million
San Diego hotel visitors in 2016

34.9 million
Visitors to San Diego in 2016, an all-time high

67
Primary conventions in 2016, attended by 697,500 visitors who spent $721 million

130,000
2016 Comic-Con attendees
As the region comes off a record-setting 2016 when 34.9 million visitors came to San Diego, there remain areas for continued growth. Those areas extend well beyond the traditional feeder markets of California, Arizona, Nevada and Utah.

They extend to Beijing, London, Sydney and Seoul. An analysis of San Diego tourism reveals that the potential for increasing international visitors to San Diego is significant. In fact, some attractions in San Diego are already seeing significant numbers of international visitors.

“Nearly 30 percent of our 1.4 million visitors are from around the world,” said USS Midway Museum President and CEO Mac McLaughlin. “Mandarin has quickly become the most-commonly spoken foreign language aboard the Midway.” The museum now offers its self-guided audio tours in five foreign languages that mirror the makeup of international visitors: Spanish, Japanese, French, German and Chinese.

On a broader scale, China has become California’s top source of overseas visitors, and double-digit growth is expected in the coming years. Other leading sources for overseas visitors to the state include the United Kingdom, Australia, Japan, France and South Korea.

The San Diego Tourism Authority (SDTA) continues to sharpen its efforts to attract new international visitors. Currently, international visitors account for 11 percent of total San Diego visitors, compared to an estimated 20 percent in Los Angeles and nearly 30 percent in San Francisco.

“Our goal is to develop more international air service to San Diego so that our region serves as the hub for an international visitor’s stay, as opposed to making San Diego a day-trip destination when flying into LA or San Francisco. As we develop more international airline service to San Diego and Tijuana, that will lessen our dependence on day trips by international visitors who fly into Los Angeles or San Francisco,” said the Tourism Authority’s Terzi.

“International visitors stay longer and have a much higher per trip expenditure. Internationally, we recognize the value of supporting SDTA sales missions abroad,” said the Midway’s McLaughlin. “As political winds at the national market,” said Terzi. Yet there could be headwinds when it comes to the international market. The Global Business Travel Association recently polled its members on the impact of potential travel bans imposed by America. Its members see a modest reduction in travel to the U.S. in the short term, until the travel ban question becomes clearer.

According to Visit California, the statewide tourism promotion agency, the origin country most impacted by travel ban questions could be Mexico. Others classified as “medium sensitive” to ban issues are Canada, United Kingdom, France, Germany, and Australia. Others—Japan, China, and South Korea—are projected to be least affected by travel ban discussions. “As one of San Diego’s leading attractions, we recognize the value of supporting SDTA sales missions abroad,” said the Midway’s McLaughlin. “As political winds at the national market,” said Terzi. Yet there could be headwinds when it comes to the international market. The Global Business Travel Association recently polled its members on the impact of potential travel bans imposed by America. Its members see a modest reduction in travel to the U.S. in the short term, until the travel ban question becomes clearer.

According to Visit California, the statewide tourism promotion agency, the origin country most impacted by travel ban questions could be Mexico. Others classified as “medium sensitive” to ban issues are Canada, United Kingdom, France, Germany, and Australia. Others—Japan, China, and South Korea—are projected to be least affected by travel ban discussions. “As one of San Diego’s leading attractions, we recognize the value of supporting SDTA sales missions abroad,” said the Midway’s McLaughlin. “As political winds at the national market,” said Terzi.
“As political winds at the national level settle, we know that international travel to the U.S., and especially to San Diego, are critical to the long term sustainability of our hospitality and tourism industry.” — Mac McLaughlin, USS Midway Museum

level settle, we know that international travel to the U.S., and especially to San Diego, are critical to the long term sustainability of our hospitality and tourism industry.

California’s top overseas markets in 2015:
- China (1,162,000)
- United Kingdom (705,000)
- Australia (610,000)
- Japan (537,000)
- France (441,000)
- South Korea (438,000)
- Germany (436,000)
- India (291,000)
- Brazil (225,000)
At the San Diego Tourism Authority, we take great pride in telling the world about all the things that make San Diego a great place to live, work and play. Whether for business or leisure, travelers come from around the world to enjoy our scenic beauty, friendly people and Cali-Baja lifestyle.

May is National Travel & Tourism Month. Tourism is a foundation for our regional economy. One in eight San Diegans are employed in tourism and over 12,000 businesses make up this vibrant economic sector. Last year, travelers contributed nearly $17 billion to our regional economy and over $743 million in tax revenues that supported our parks and recreation, police, fire and other essential city services.

To learn more, visit sandiego.org/whytravelmatters
At the San Diego Tourism Authority, we take great pride in telling the world about all the things that make San Diego a great place to live, work and play. Whether for business or leisure, travelers come from around the world to enjoy our scenic beauty, friendly people and Cali-Baja lifestyle.

May is National Travel & Tourism Month. Tourism is a foundation for our regional economy. One in eight San Diegans are employed in tourism and over 12,000 businesses make up this vibrant economic sector. Last year, travelers contributed nearly $17 billion to our regional economy and over $743 million in tax revenues that supported our parks and recreation, police, fire and other essential city services.

To learn more, visit sandiego.org/whytravelmatters

Driving visitor demand to economically benefit the San Diego region.
Above: A major expansion of the Convention Center will be on the ballot in November; below: San Diego Convention Center

| Page 12 | SAN DIEGO BUSINESS JOURNAL — CUSTOM CONTENT |

If there is one local issue in 2017 that could set the course for tourism in San Diego for decades to come, it may well be completion of the convention center expansion. Voters will decide that issue in November.

With a consortium of tourism and community leaders in support, Mayor Kevin Faulconer has proposed a one-to-three cent increase in the Transient Occupancy Tax (TOT) to fund the completion of the convention center, as well as street repairs and homeless programs. Two-thirds of the estimated additional $60-$70 million in TOT revenue per year would be used for convention center completion and one-third for streets and homeless programs.

Passage would mean that 220,000 square feet of exhibit space, 100,000 square feet of meeting space, and a 78,000-square-foot ballroom would be added to the 816,000-square-foot facility. Many believe completion of the approved plan is critical in an extremely competitive convention-and-meetings landscape.

“Despite being a highly desirable meeting destination, San Diego lags many of its competitors in all categories of function space,” reported Thomas Hazinski and Jorge Cotte with HVS Convention, Sports & Entertainment Facilities Consulting, a firm that conducted a convention center analysis earlier this year.

Their analysis shows expansion would allow 50 additional annual events that would generate 270,000 room nights and 1.1 million attendees. Hotel room revenues would increase an estimated 40 percent over the $220 million now generated by the convention center.

Central to the convention center’s future is that expansion would allow more opportunities for multiple events to take place simultaneously. The convention center’s usage can be seasonal, and it loses business when it cannot accommodate more than one large group at a time. The HVS Study reports that the convention center should be able to simultaneously accommodate three mid-sized events that would require 1,500 to 5,000 peak room nights.

David Cohn of the Cohn Restaurant Group owns and operates 24 restaurants, including 10 within five minutes of the convention center. Cohn equates added convention center capacity to a better quality of life for the team members his restaurants employ.

“Our locations in the Gaslamp Quarter and the area around downtown depend on the convention center. When shows are in town, we staff up for the added demand. While downtown is a vibrant hub, most restaurants struggle staying busy when there are no conventions in town. Our team members depend on those added shifts to pay the bills and provide for their families,” said Cohn.

“The expanded center would allow events to overlap, which would mean more busy days for our restaurants, resulting in more shifts and higher incomes for our team members,” said Cohn. “This is something we must do support jobs and the San Diego economy.”

According to the HVS study, event planners rank San Diego as the most desirable event destination, well ahead of San Francisco (ninth), Anaheim (15th), and Los Angeles (16th).

In addition, Mark Cafferty, President and CEO of the San Diego Regional Economic Development Corporation, sees a direct parallel between tourism and strengthening the local economy through business development.

“Not everyone realizes that the qualities of San Diego—our diverse, active lifestyle and our incredible quality of life—apply as much to travelers and as they do to various business sectors that would benefit from operating in San Diego,” he said.

“Biotech, life sciences, defense contracting, and entrepreneurial startups all have a natural connection with San Diego,” added Cafferty. “We target those kinds of meetings and conferences to build business-based relationships that can lead to business expansion and relocation to San Diego. There is a great deal of overlap between tourism marketing and economic development promotion.”

According to the HVS study, event planners rank San Diego as the most
Stiff Competition for Travelers

As San Diego considers whether to complete its convention center, the city faces increasing competition by other regional destinations, most of which are making substantial investments in their tourism business.

Disney and Universal Studios are spending a combined $2.6 billion in new, high-profile attractions. (By comparison, the newest attraction in San Diego is the USS Midway Museum, dating back to 2004. LEGOLAND opened in 1999 and before that, the San Diego Wild Animal Park opened in 1972.)

Several years ago the city of Anaheim established a resort district that today accounts for half of the city’s revenue from only five percent of the city’s land. Part of those proceeds is being reinvested into a $190 million convention center expansion, which will add 200,000 square feet. (Disney also received a 30-year tax break from the city as well.)

In San Francisco, its convention center capacity will increase 25 percent, but most importantly, it will grow the largest contiguous (or on-site) space to 525,000 square feet when expansion is completed. The Moscone Center is responsible for about 21 percent of San Francisco’s tourism industry.

Tourism officials and business leaders see the November vote on the proposed increase as critical on many fronts. Upon voter approval, construction could start by July 2019 and be complete four years later, increasing rentable space from 816,000 to 1.2 million square feet.

“As a premier convention destination, San Diego’s growth in the industry is constrained primarily by a lack of convention center space and available dates...the positive impact of SDCC expansion would be felt throughout the city as...lodging demand would dramatically increase hotel occupancy and rates,” write Hazinski and Cotte in the HVS report.
n past construction boom periods in San Diego, it’s jokingly been said that the (construction) crane ought to be named the official city bird. For decades it has been a visual reminder of the cyclical nature of real estate development and construction in San Diego.

The cranes largely disappeared following the 2008 Great Recession, but now they can be spotted throughout downtown. San Diego is in the midst of a massive hotel construction boom, and that’s only part of what is on the horizon for San Diegans and their 34.9 million annual visitors.

Following a five-year period ending in 2015 in which no new downtown hotels opened, more than 1,000 hotel rooms now are under construction. From Oceanside to Chula Vista, the total is closer to 2,000 hotel rooms and an estimated 7,000 more are in various planning stages.

It won’t be long before another 400,000 room nights spent by visitors will be necessary to maintain San Diego’s overall hotel occupancy rate, which averages in the 77 percent range. That’s well above the national average of 65 percent.

The development and revitalization of many waterfront stretches of San Diego Bay may become the catalyst in filling those additional hotel rooms with visitors. As the Port of San Diego updates its 2013 master plan, a number of major projects that could benefit the visitor industry are being contemplated or under way.

Generally considered to be California’s busiest boat ramp, the Shelter Island boat launch facility is about to undergo a multi-million-dollar renovation and expansion to accommodate 50,000 launches a year.

Not far away, Harbor Island will see a major redevelopment by Oliver-McMillan and Sunroad Enterprises. The longtime car rental lot has been vacated, clearing the way for more than 50 acres to be developed into hotels, shops, restaurants and marinas.
Demolition has begun on the Manchester Pacific Gateway project directly across from the USS Midway Museum. The 12-acre complex ultimately will span six buildings plus a new Navy headquarters facility. Offices, a hotel, shops, restaurants and even a museum are part of the mix.

The same holds true for the redevelopment of the Port’s Embarcadero waterfront. Conceptual proposals have included hotels, shops, restaurants, an aquarium, observation tower, and a man-made beach in one of the most comprehensive waterfront redevelopment visions in recent memory. Early cost estimates for the project are more than $1 billion.

Chula Vista could see its first new hotel in 25 years, while Lane Field at the foot of Broadway in downtown San Diego has a second hotel under construction. It will top out at 18 floors with approximately 400 rooms.

In fact, much of San Diego’s Embarcadero has the potential to become a more compelling visitor attraction. From Laurel Street south, extending to the convention center, the entire stretch of waterfront is being transformed with an emphasis on visitor-serving activities and accommodations.

“A vibrant downtown waterfront and San Diego Bay greatly adds to San Diego’s tourist appeal.”

— Luis Barrios, Hilton San Diego Airport/Harbor Island

Chula Vista could see its first new hotel in 25 years, while Lane Field at the foot of Broadway in downtown San Diego has a second hotel under construction. It will top out at 18 floors with approximately 400 rooms.

“A vibrant downtown waterfront and San Diego Bay greatly adds to San Diego’s tourist appeal. Just like Gaslamp, they will become a showcase of our unique culture and heritage,” said Luis Barrios, General Manager of the Hilton San Diego Airport/ Harbor Island.

Other cities such as San Francisco, Boston, and Baltimore all have harbors or waterfronts that have been developed with tourism in mind.

“A vibrant downtown waterfront and San Diego Bay greatly adds to San Diego’s tourist appeal. Just like Gaslamp, they will become a showcase of our unique culture and heritage,” said Luis Barrios, General Manager of the Hilton San Diego Airport/ Harbor Island.

“A vibrant downtown waterfront and San Diego Bay greatly adds to San Diego’s tourist appeal. Just like Gaslamp, they will become a showcase of our unique culture and heritage,” said Luis Barrios, General Manager of the Hilton San Diego Airport/ Harbor Island.
As the regional tourism marketplace becomes more competitive, destinations like San Diego cannot rest on their reputation. That realization led, in part, to the creation of the 20-Year Tourism Master Plan developed about two years ago.

Approximately 44 committee members from across the local tourism and business community participated in its development, led by the San Diego Tourism Marketing District (TMD). Through a marketing district assessment, the TMD is the principle funding source for San Diego’s tourism marketing programs.

Now, as the dynamics of domestic and international travel have changed, officials are updating the plan, now called “Experience San Diego Destination 2040.”

“While those of us who live here can’t imagine why anyone would want to visit any other destination, San Diego’s major competitors have caught up and in some cases surpassed us in visitation. With tourism as one of our city’s strongest economic engines, it is critical we invest strategically in the destination to keep this vital industry strong,” said Patti Roscoe, chair of the plan’s steering committee.

“Experience San Diego Destination 2040 serves as a roadmap to attract more visitors, increase visitor spending, and improve the quality of life for all San Diegans.

“Experience San Diego Destination 2040 serves as a roadmap to attract more visitors, increase visitor spending, and improve the quality of life for all San Diegans. It is being implemented by a steering committee composed of a cross-section of the visitor and business community.”

“We can’t afford to become stagnant,” said Ted Molter, Chief Marketing Officer of San Diego Zoo Global and the Chairman of the Board for the SDTA. “We have the opportunity leverage unique advantages that San Diego offers, as well create new incentives.”

That largely is the focus of the 20-year plan. It lays out a series of objectives that will strengthen the appeal of San Diego for some visitors and will create greater awareness among others. Some objectives seemingly are ambitious.

For example, one is to create a new attraction. Molter, among others, believes Balboa Park holds the potential to become a significant attraction.

Liberty Station

alongside San Diego’s beaches, the San Diego Zoo, SeaWorld, and others. “There is no way we could create an urban park today that has the cultural diversity and San Diego heritage that Balboa Park offers,” he said.

“When vacationing, people like to experience the local flavor of a destination. Balboa Park is uniquely positioned to provide that. It’s a cultural center that could greatly add to the quality of the visitor experience,” added Molter.

Molter points to the revitalization of the Gaslamp Quarter as how an
under-developed neighborhood can become an enduring destination and attraction in its own right. Its transformation over many years has elevated it to a high-profile feature of the San Diego experience. Molter believes Balboa Park could be the same. Some officials believe Liberty Station in Point Loma is beginning to establish a similar identity.

The master plan lays out other strategies as well to support a bold vision of increasing TOT revenues from $170 million a few years ago to $300 million. One is to more effectively leverage San Diego’s year-round calendar of events.

In recent years sports events, arts and culture, craft beer events, participatory runs, community celebrations, theater, music festivals, and even the fresh fish market on San Diego Bay have added to the appeal of visiting San Diego. Few cities can offer a year-round selection of unique events that now fill San Diego’s civic calendar.

An intriguing concept is to create a visual icon representing San Diego, akin to the Golden Gate Bridge, Hollywood sign, and Statue of Liberty in other cities. In San Diego should it be Balboa Park, the San Diego Bay Bridge, or the Cabrillo National Monument? It’s a question tourism officials are pondering as they work to differentiate San Diego from other vacation choices.

The master plan also attaches a high priority to increased international airline service to San Diego and aggressively pursuing the meetings, incentives, conferences and exhibitions market.

Based on the master plan, The TMD Board of Directors has already recommended three significant marketing initiatives that reflect the strategic priorities identified and further refined by the steering committee. They include renewed marketing in Los Angeles, developing the China market, and developing the promotional potential of Balboa Park.

“Soon, we will roll out the plan to community leaders and business groups and ask that they join this effort,” said Roscoe. “As Abraham Lincoln said, ‘The best way to predict your future is to create it.’”

San Diego’s skies are becoming busier as San Diego tourism, business, and government agencies work together to increase airline service to and from San Diego—both for domestic and international markets. A concerted campaign several years in the making is beginning to bear fruit just as tourism officials intensify their efforts. Long-haul markets, especially international markets, require nonstop airline service. On that front, progress is being made.

According to April Boling, Board Chair of the San Diego County Regional Airport Authority, “San Diego International Airport continues to discuss additional international nonstop routes with receptive air carriers. Recent developments with aircraft technology enable San Diego to vie for an ever-increasing share of international nonstop flights. Nonstop flights are important as foreign visitors prefer to arrive on a nonstop flight rather than transit crowded, congested hub gateways.”

Edelweiss Airlines begins Zurich-San Diego nonstop service in June. California is a popular destination for the Swiss. Bernd Bauer, CEO of Edelweiss, believes that, “we will bring about 7,000 Swiss passengers to San Diego (in the first year). We are a vacation carrier taking people to the most beautiful places in the world.”

With service already to Los Angeles and San Francisco, San Diego was a natural addition. If business is good this year, Edelweiss has plans to double its service to San Diego next year.

That could generate an economic impact of $60 million in San Diego, according to Bauer. The Swiss tend to stay longer and spend more while vacationing than other European travelers. Edelweiss is part of the Lufthansa group of airline companies. Local officials are hopeful that its success, coupled with the success of British Airways’ established service to San Diego, could lead to additional nonstop service from Europe.

Meanwhile Condor Airlines begins service from Frankfurt to San Diego this month. Condor also is a popular leisure airline and will be bringing about 14,000 seats to San Diego annually.

Condor and Edelweiss will supplement the international nonstop service (currently by Japan Airlines and British Airways) now at Lindbergh. The new international service is the result of an intensive joint campaign by the San Diego County Regional Airport Authority and the San Diego Tourism Authority. Both agencies pledged substantial marketing dollars and fee waivers to help each airline get established in San Diego.

Meanwhile, those agencies are looking to the west for more international “lift” into San Diego. Talks with Chinese airlines are ongoing, given the enormous potential of the China market. Already, 110 nonstop flights from China arrive into Los Angeles, San Jose and San Francisco weekly. Tijuana’s airport has a nonstop flight from Shanghai. Its maquiladora economy is a major driver of increased China business travel to Tijuana.

Nonstop service into San Diego would further augment international airline service to San Diego that is up more than 180 percent in the last six years.

“To grow tourism, we need to keep advertising and promoting the San Diego brand and expand international efforts,” said SeaWorld’s Hannes. “When I traveled to China, I experienced that the travel trade is still learning about the U.S. and many still don’t know where San Diego is. We still have work to do in order to drive awareness and inspiration for visitors to choose San Diego. Competition is fierce,” she said.

“San Diego to reap the benefits from international visitors, it’s critical for visitors to be able to find affordable flights to get here. We lose significant market share when we don’t have air lift that pops up when visitors are searching digitally and planning their vacation. I’m thrilled to see progress with new air lift.”

San Diego's skies are becoming busier as San Diego tourism, business, and government agencies work together to increase airline service to and from San Diego—both for domestic and international markets. A concerted campaign several years in the making is beginning to bear fruit just as tourism officials intensify their efforts. Long-haul markets, especially international markets, require nonstop airline service. On that front, progress is being made. According to April Boling, Board Chair of the San Diego County Regional Airport Authority, “San Diego International Airport continues to discuss additional international nonstop routes with receptive air carriers. Recent developments with aircraft technology enable San Diego to vie for an ever-increasing share of international nonstop flights. Nonstop flights are important as foreign visitors prefer to arrive on a nonstop flight rather than transit crowded, congested hub gateways.”

Edelweiss Airlines begins Zurich-San Diego nonstop service in June. California is a popular destination for the Swiss. Bernd Bauer, CEO of Edelweiss, believes that, “we will bring about 7,000 Swiss passengers to San Diego (in the first year). We are a vacation carrier taking people to the most beautiful places in the world.”

With service already to Los Angeles and San Francisco, San Diego was a natural addition. If business is good this year, Edelweiss has plans to double its service to San Diego next year.

That could generate an economic impact of $60 million in San Diego, according to Bauer. The Swiss tend to stay longer and spend more while vacationing than other European travelers. Edelweiss is part of the Lufthansa group of airline companies. Local officials are hopeful that its success, coupled with the success of British Airways’ established service to San Diego, could lead to additional nonstop service from Europe.

Meanwhile Condor Airlines begins service from Frankfurt to San Diego this month. Condor also is a popular leisure airline and will be bringing about 14,000 seats to San Diego annually.

Condor and Edelweiss will supplement the international nonstop service (currently by Japan Airlines and British Airways) now at Lindbergh. The new international service is the result of an intensive joint campaign by the San Diego County Regional Airport Authority and the San Diego Tourism Authority. Both agencies pledged substantial marketing dollars and fee waivers to help each airline get established in San Diego.

Meanwhile, those agencies are looking to the west for more international “lift” into San Diego. Talks with Chinese airlines are ongoing, given the enormous potential of the China market. Already, 110 nonstop flights from China arrive into Los Angeles, San Jose and San Francisco weekly. Tijuana’s airport has a nonstop flight from Shanghai. Its maquiladora economy is a major driver of increased China business travel to Tijuana.

Nonstop service into San Diego would further augment international airline service to San Diego that is up more than 180 percent in the last six years.

“San Diego to reap the benefits from international visitors, it’s critical for visitors to be able to find affordable flights to get here. We lose significant market share when we don’t have air lift that pops up when visitors are searching digitally and planning their vacation. I’m thrilled to see progress with new air lift.”
With each passing year the relationship between San Diego and Tijuana has become closer and more tightly aligned. Developments in the past two years have made that more evident than ever.

For years there had been talk of linking San Diego and Tijuana International Airports. Each airport has inherent advantages and limitations. San Diego is limited to the busiest single runway in the nation when most major cities have more than one airport. The development of the maquiladora industry that took hold in Tijuana in the 1980s has added a new dimension to a combined metropolitan area of approximately five million residents.

Today, the Tijuana airport is Mexico’s second-most connected airport. Tijuana also has limited nonstop service to Shanghai, a conduit to the lucrative China market.

In 2015, the first concrete step toward linking the two cities for visitors took place with the opening of the Cross Border Xpress (CBX) terminal on the U.S. side of the border, creating a direct bridge to the Tijuana airport. The concept was straightforward. Passengers arriving by air in Tijuana can collect their luggage and then use the nearby 390-foot skywalk bridge to enter the U.S., where a variety of ground transportation options are available.

An estimated 5,000 passengers use the facility daily, and recently CBX set a one-day record at 10,000 passengers.

At a cost of $120 million, the 65,000-square-foot facility opened 18 months ago and has exceeded expectations. An estimated 5,000 passengers use the facility daily, and recently CBX set a one-day record at 10,000 passengers.

CBX, along with other San Diego-Tijuana partnerships, reflects the Cali-Baja region in which goods and services flow across the border. The opportunity for international travelers to use CBX as a means to visit San Diego is critical to long-term tourism development success.

“We need to keep our border tourism healthy. It’s critical that we continue to benefit from millions of Mexican tourists that arrive annually. Mexico is still the top volume market to California,” said SDTA’s CEO, Joe Terzi.

A bi-national airport can help meet that goal.
Nothing should come between you and a long, healthy life. So we’ve removed the barrier between health care and coverage, giving you the care you need and the coverage you deserve. It’s simply health care made simple. Visit kp.org/sandiego today because together we thrive.
This summer, immerse yourself in Ocean Explorer™, a new three-acre realm at SeaWorld®. Featuring five new rides and three amazing new animal encounters to help you unlock the ocean’s deepest mysteries.

WHAT’S NEXT IS NOW | SeaWorldSanDiego.com