

PROPOSED DOWNTOWN SPORTS & ENTERTAINMENT DISTRICT INVENTORY ASSESSMENT FOR PRIVATE SECTOR COMMERCIAL DEVELOPMENT

August 15, 2025



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Mr. Ben Gorzell
Chief Financial Officer
City of San Antonio
100 West Houston Street
San Antonio, TX 78205

Dear Mr. Gorzell:

Conventions, Sports & Leisure (CSL) has completed a review of commercial development proposed to take place in the Downtown San Antonio Sports & Entertainment District. Proposed development parameters have been provided by potential project developers, and have not been reviewed from a market demand or financial basis by CSL.

We have also used proposed development parameters to provide broad estimates of potential economic impact resulting from the various projects. This is an assumption based report, and does not include in-depth analysis of individual development projects.

It is our understanding that the private sector development team associated with the San Antonio Spurs ownership group may guarantee the City of San Antonio's incremental property tax value of proposed development to take place in the District over a 12-year period. Pending a negotiated development agreement for a new NBA arena within the District under currently understood parameters, actual development taking place within the District would not effect these payments.

We sincerely appreciate the valuable input and collaboration from City staff and project stakeholders in shaping this important analysis. It has been a privilege to support the City in this forward-looking planning initiative.

Very Truly Yours,

CSL International

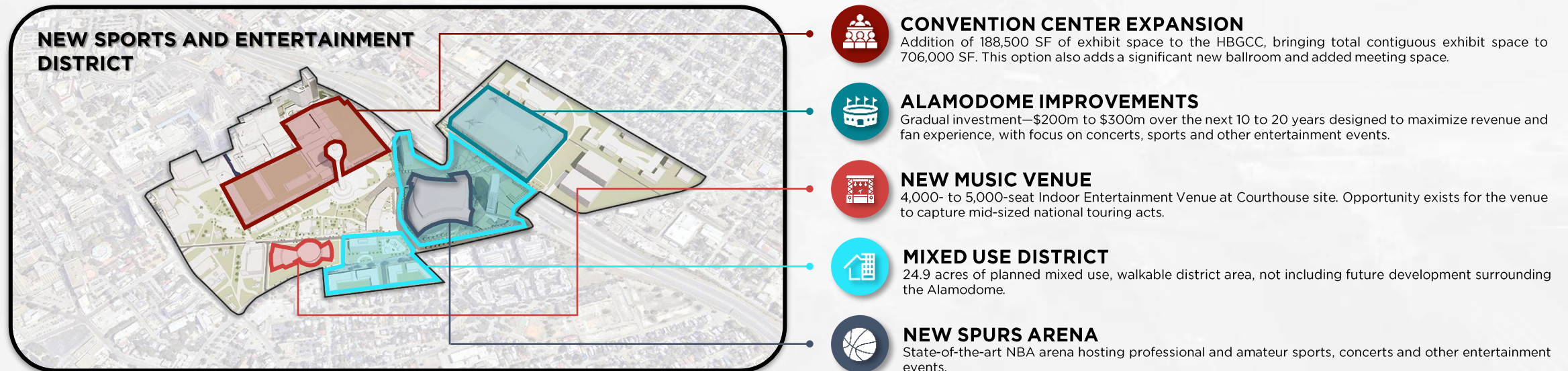


NEW SPORTS & ENTERTAINMENT DISTRICT OVERVIEW

The Sports & Entertainment District represents a bold new vision for downtown San Antonio, bringing together major venue investments within a walkable district: the expansion of the Henry B. González Convention Center, a phased improvement plan for the Alamodome, a new 4,000 to 5,000-seat Indoor Music Venue at the site of the John H. Wood Jr. Federal Courthouse, and a new NBA Arena. These venue investments will be complemented by significant private sector investments in new residential, hotel, retail and restaurant amenities throughout the area.

The convention center expansion would greatly increase its event space, allowing for larger and more frequent events. Alamodome improvements would enhance its competitiveness and ability to attract both major concert, sports, festival and community events. The new music venue would offer a high-quality, mid-sized performance space, helping San Antonio attract a new tier of performers. The new mixed-use development, with millions of square feet of residential, hotel, restaurant and retail space, would generate substantial foot traffic within and around the district. A new Spurs Arena would lock in the significant entertainment and economic value of the team for the foreseeable future.

Together, these projects have the potential to transform San Antonio's urban core, bringing millions of new visitors, residents and workers, while establishing a vibrant, iconic district that could become a cornerstone of the city. Against this backdrop, CSL has prepared an analysis of the projected District economic impact, evaluating how increased visitation, event activity and facility operations will generate meaningful economic and fiscal returns for the City of San Antonio.



MIXED-USE DISTRICT

The New Sports & Entertainment District project represents a transformative district master plan envisioned to elevate downtown San Antonio into a vibrant, mixed-use destination. The image to the right highlights the 18.4 acres targeted for future commercial development. We do not have access to specific mixed-use development parameters.

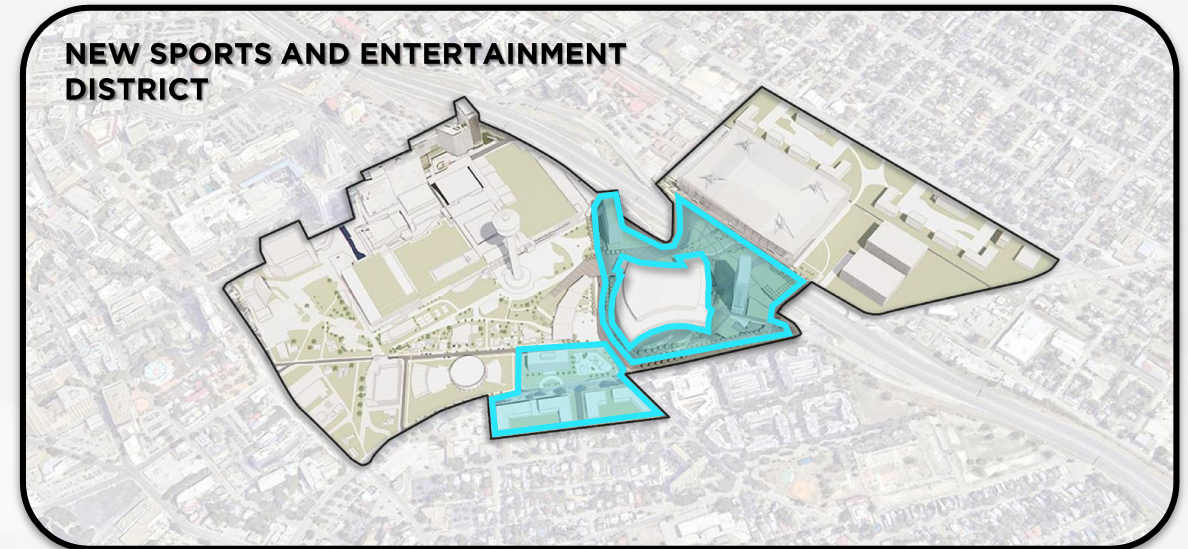
As previously noted, project developers have identified various development parameters that include:

- 1,920 new residential units
- Two new hotels
- Approximately 220,000 square feet of office space
- 95,000 square feet of restaurant and retail space

Combined, these investments would support a year-round ecosystem of local activity, visitor engagement, and commercial vitality.

We do not assume around the Alamodome. While general concept plans are being prepared for development east of I-37, no specific space targets have been finalized. The New Sports & Entertainment District is intentionally designed to complement, and be partially supported by, the City's planned investments in the convention center, Alamodome, and new music venue.

Information provided by the project development team has been used to prepare assumptions as to future potential development. No direct market research has been conducted to underpin these assumptions. Any change to these hypothetical assumptions could materially change the impact estimates.



MIXED-USE DISTRICT

Development Assumptions at Full Buildout: 1,920 residential units

KEY RESIDENTIAL IMPACT ASSUMPTIONS	
Share of residents new to San Antonio (1)	50%
Share of resident spending taking place in San Antonio (2)	60%
Residents per unit	2.0
Share of resident spend out of City (not included in Economic Impact assessment) (3)	40%

Development Assumptions at Full Buildout: 220,000 SF of office space development

KEY OFFICE IMPACT ASSUMPTIONS	
Share of office workers new to San Antonio (1)	50%
Share of office worker spend in San Antonio (2)	60%
Share of resident spend out of City (not included in Economic Impact assessment) (3)	40%

- (1) 40 percent of estimated District spending by resident and office base in the District is eliminated from consideration for purposes of calculating new Economic & Fiscal Impact. We note that San Antonio population growth rate between 2021 and 2023 was 2.1% annually, among the nation's highest based on data from the U.S. Census Bureau. Population levels in 2024 continued to increase at a 1.7% rate. Data from PopStat's Trend models indicate a 5 year population change of 5.5%, resulting in a San Antonio population of 3,008,547 by July 2029. These indicators defining strong population growth help support the directional assumptions with respect to share of residents new versus simply displaced from other areas of the City.
- (2) 40 percent of estimated District spending by resident and office base is eliminated from consideration for purposes of calculating new Economic & Fiscal Impact.
- (3) 40 percent of District resident and office spend is assumed to take place outside the City and is eliminated from this analysis.

MIXED-USE DISTRICT

Development Assumptions at Full Buildout: 95,000 sf of restaurant/retail development

KEY RESTAURANT/RETAIL IMPACT ASSUMPTIONS	
Share of patrons as visitors (from outside San Antonio) (1)	50%
Per-patron spend (2028) (2)	\$21.00
Share of visitor spending new to San Antonio (3)	60%

Development Assumptions at Full Buildout: 300-unit upscale, and 145-unit limited service hotel

KEY HOTEL IMPACT ASSUMPTIONS	
Mature year occupancy/rate – Upscale Hotel (4)	67%/\$342
Mature year occupancy/rate – Select Service Hotel (4)	70%/\$184
% of guests new to San Antonio – Upscale Hotel (5)	70%
% of guests new to San Antonio – Select Service Hotel (5)	60%

- (1) Restaurant/retail establishments will cater to convention attendees and entertainment attendees that are often from outside the City, and event the state.
- (2) Restaurant/retail spending per person will result from a blend of small purchases and higher priced sit-down meals.
- (3) Spending by some visitors would not necessarily be new to San Antonio.
- (4) Based on recent HR&A studies specific to each project.
- (5) Hotel will absorb new demand into the market due to new demand generators (HBGCC, Alamodome, Music Venue and Arena projects).