



4

Competitive Facility Context

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Overview

The number and type of local and regional facilities that would possibly compete for the limited supply of events and attendees within the marketplace will impact the market potential for the renovated Theater.

The Theater will face competition in the local and regional market from a variety of different venues including stadiums, arenas, amphitheaters, indoor theaters, and clubs. The table to the right presents a summary of local and regional live entertainment venues.

The local market is limitedly competitive from the standpoint of available venues. Four facilities that represent the most competition to the renovated Theater were identified based on the following criteria:

- Total seating capacity between 2,000 and 12,000 seats;
- Close proximity to the Sunken Garden Theater location; and,
- A robust number of events held at each facility in the past year.

It should be noted that none of the identified competitive venues are located outdoors and thus are unlikely to host outdoor amphitheater tours, as will be programmed in a renovated Theater.

It should also be noted that the Whitewater Amphitheater, while representing the only outdoor amphitheater in the wider San Antonio region (New Braunfels, Texas), is not considered moderately competitive to a renovated Theater despite its size because of its distant location and building quality, which does not include any fixed seats.

COMPETITIVE FACILITIES					
Facility	Distance from Sunken Garden Theater (mi)	Capacity (Concert)	Indoor / Outdoor	Core Event Tiers	Degree of Competition
Stadiums					
Alamodome	3.8	65,000	Indoor	Tier 1 / Tier 2A	Low
Arenas					
AT&T Center	5.1	18,000	Indoor	Tier 1 / Tier 2A	Low
Freeman Coliseum	5.5	10,150	Indoor	Tier 2A / Tier 2B	Moderate
Amphitheaters					
Whitewater Amphitheater <i>(New Braunfels, TX)</i>	47.0	5,600	Outdoor	Tier 3 / Tier 4	Low
Theaters					
Lila Cockrell Theatre	3.7	2,300	Indoor	Tier 2B / Tier 3	Moderate
Majestic Theatre	3.2	2,264	Indoor	Tier 2B / Tier 3	Moderate
H-E-B Performance Hall at the Tobin Center	3.2	1,746	Indoor	Tier 2B / Tier 3	Moderate
The Aztec Theatre	3.9	1,645	Indoor	Tier 3 / Tier 4	Low
Riverwalk Plaza At The Tobin Center	3.2	1,000	Outdoor	Tier 3 / Tier 4	Low
Empire Theatre	3.5	864	Indoor	Tier 4	Low
Studio Theater At The Tobin Center	3.2	420	Indoor	Tier 4	Low
Clubs					
Cowboys Dancehall	11.2	5,772	Indoor	Tier 4 / Local	Low
The Paper Tiger	1.1	1,200	Indoor	Tier 4 / Local	Low
The Rock Box	3.1	1,200	Indoor	Tier 4 / Local	Low
Average	7.2	8,369			

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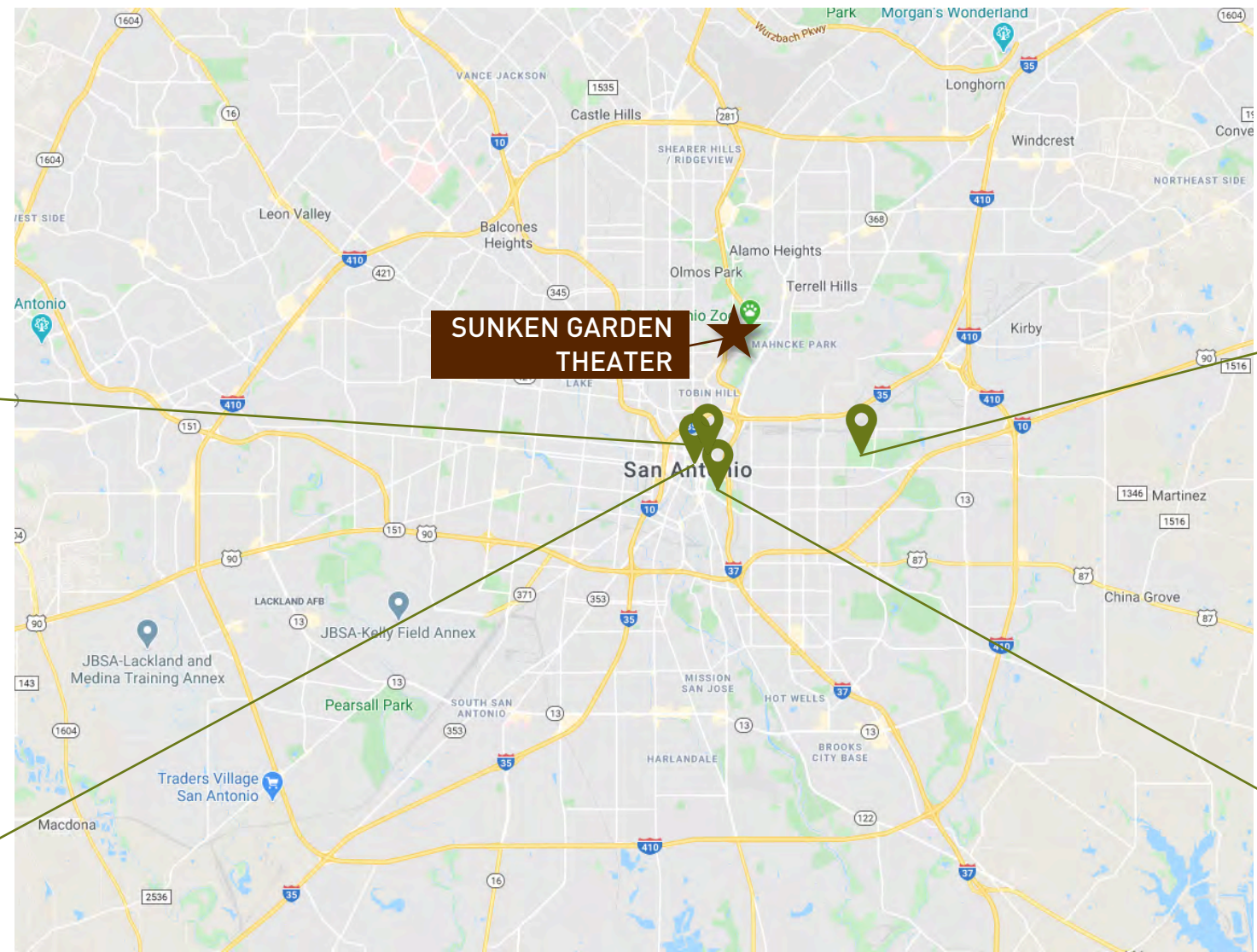
Overview



TOBIN CENTER
CAPACITY: 1,746
CORE EVENT TIERS: 2B/3



MAJESTIC THEATER
CAPACITY: 2,264
CORE EVENT TIERS: 2B/3



FREEMAN COLISEUM
CAPACITY: 10,150
CORE EVENT TIERS: 2A/2B



LILA COCKRELL THEATER
CAPACITY: 2,300
CORE EVENT TIERS: 2B/3

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Competitive Characteristics

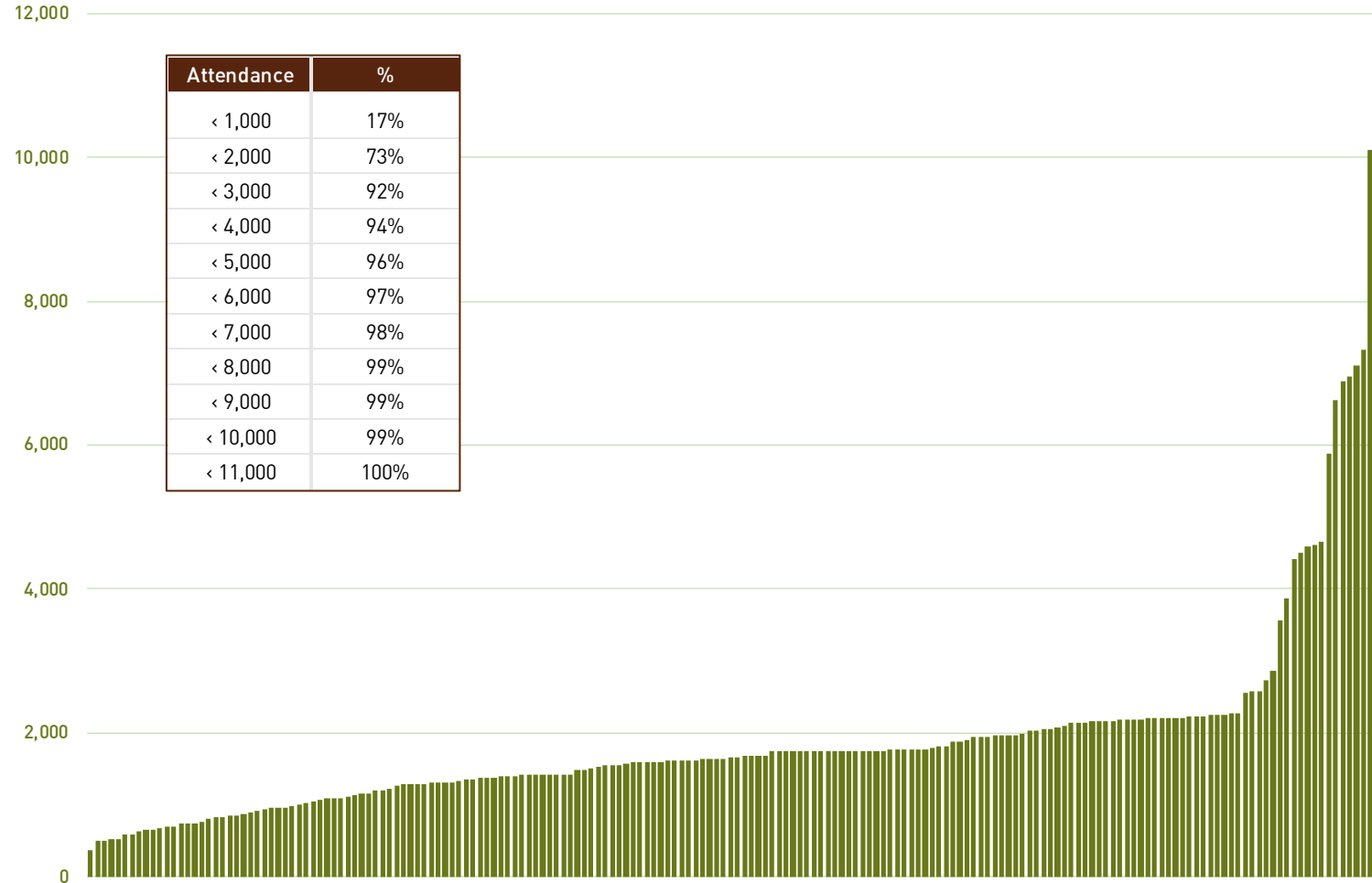
Among the identified competitive venues, concert capacity ranges from approximately 1,750 at the Tobin Center to over 10,000 at the Freeman Coliseum. However, among these identified competitive facilities there is a distinct gap, with no venue having a capacity between 3,000 and 10,000, indicating a potential market opportunity for a renovated Theater.

Beyond capacity considerations, none of the identified competitive facilities include outdoor configurations and are therefore unable to host outdoor touring concerts of any size, providing an additional market opportunity for a renovated Theater.

Moreover, because no competitive venue within the market is well-suited to host mid-sized concerts, very few events of this size are currently hosted at identified competitive venues in the market. The chart to the right shows a representative sample of performances hosted at the identified competitive venues in the last two years.

As shown, less than 10 percent of performances hosted at the four identified competitive facilities had a paid attendance of over 3,000. Due to this prevalence of smaller events (i.e., less than 3,000 attendees), the market could be able to support a mid-sized venue capable of hosting small- to mid-sized events in the range of 3,000 to 7,000, which few venues in the markets are currently able to support.

PERFORMANCE ATTENDANCE AT IDENTIFIED COMPETITIVE FACILITIES
2018 to 2019



4. Competitive Facility Context

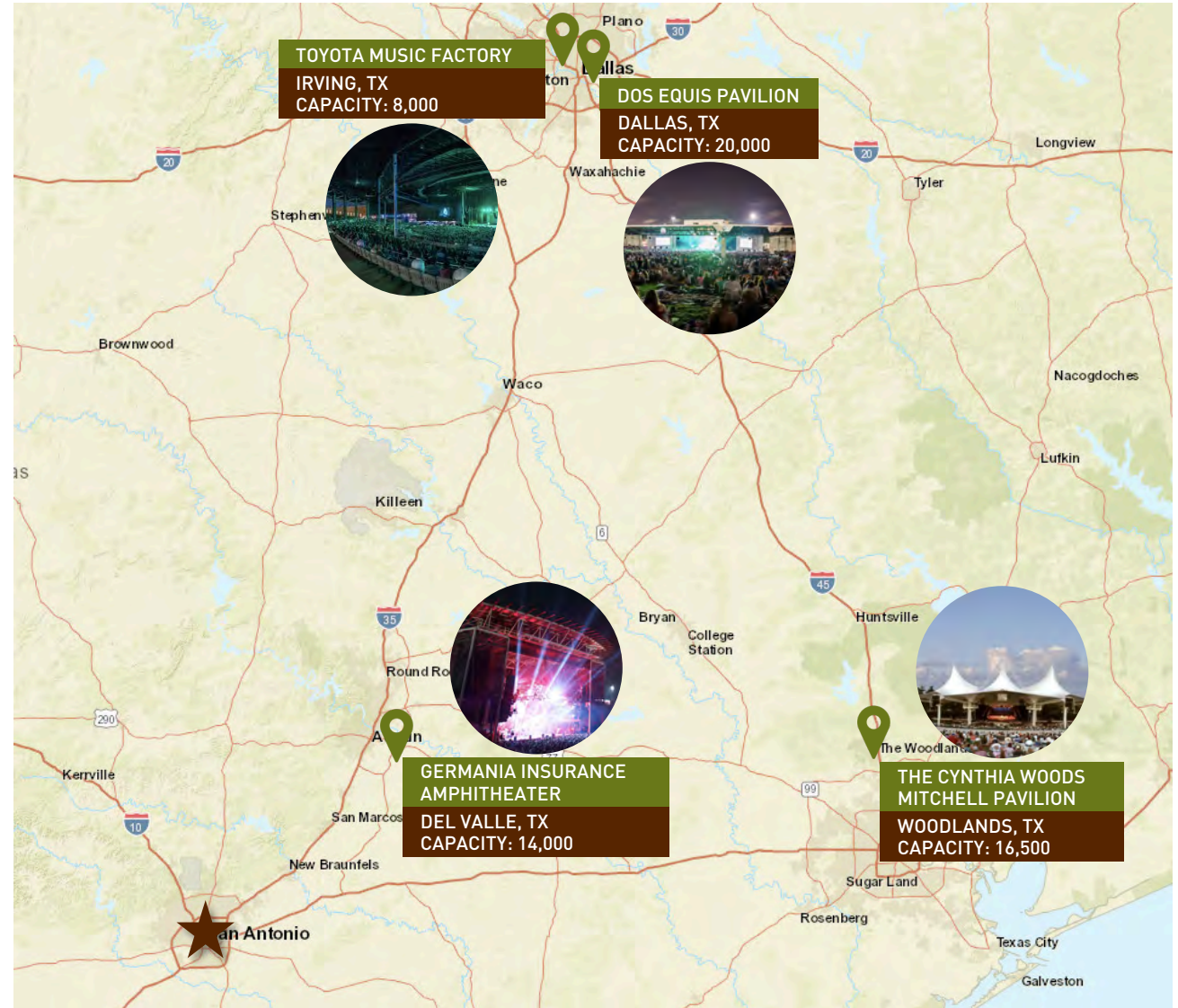
Market Gap Analysis

In addition to venues within San Antonio, other Texas amphitheaters also host a wide variety of concert and other performances. The chart below details the total performances hosted by the four prominent outdoor amphitheaters in major Texas cities.

TEXAS CONCERT ROUTING BY VENUE: 2018-19		
Facility	Total Performances (2018-19)	Average Performances Per Year
Toyota Music Factory (Dallas)	191	96
The Cynthia Mitchell Woods Pavilion (Houston)	113	57
Dos Equis Pavilion (Dallas)	64	32
Germania Insurance Amphitheater (Austin)	56	28
SAME TOURS PLAYING SAN ANTONIO	10	5

As shown above, average annual performances range from 28 at Germania Insurance Amphitheater in Austin to 96 at Toyota Music Factory, which has both indoor and outdoor components that allow for year-round utilization, in the Dallas area.

However, of all the unique performances hosted at these four major amphitheaters, only five annually play within the San Antonio market while many of these same tours play at multiple Texas venues before leaving the state. This lack of participation for San Antonio within the broader Texas market indicates that the San Antonio market is lacking the capability to host these types of outdoor concert events; there is a wider concert event hosting market available should the San Antonio gain a venue capable of hosting similar events.



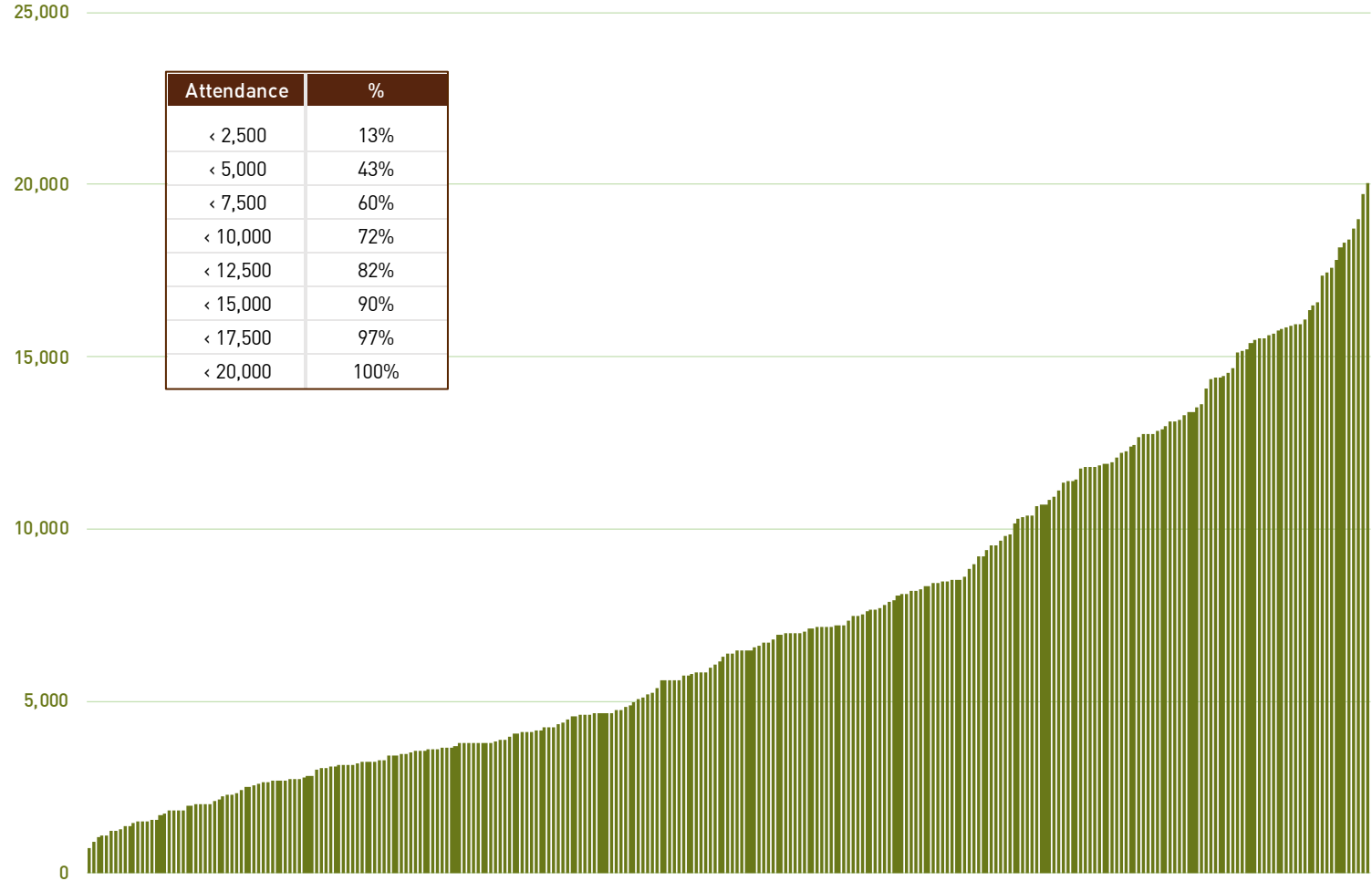
4. Competitive Facility Context

Market Gap Analysis

The chart to the right depicts the paid attendance of all performances hosted at the four major Texas amphitheaters from 2018 to 2019.

As shown, of the 424 total performances hosted at these facilities, approximately 43 percent (182 shows) had a paid attendance of 5,000 or less, representing a potential market for a renovated Theater. Should a renovated Theater effectively tap into this available Texas market for concerts, event supply would be more than sufficient to support the renovated facility.

PERFORMANCE ATTENDANCE AT MAJOR TEXAS AMPHITHEATERS
2018 to 2019



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Summary

The competitive context of a market is an important component in assessing the potential to attract specific tiers of concerts and support programming at the renovated Theater. The ability of an entertainment venue to attract specific tiers of acts is predicated, to a large extent, on the operations of those venues in the area that are already catering to those acts. The following are key takeaways from a review of the local market's competitive context:

- There are 13 performance venues in the local San Antonio market, including one (1) stadium, two (2) arenas, seven (7) theaters, and three (3) clubs.
- Of the 13 performance venues within the market, four venues identified as competitive facilities based on facility capacity, event market, proximity to Sunken Garden Theater, and annual event load.
- Of the events hosted at the four identified competitive facilities, less than 10 percent generated a paid attendance of at least 3,000, indicating market opportunity for a venue with capacity greater than 3,000.
- Among major outdoor amphitheaters in other major Texas cities, there are hundreds of unique concerts hosted annually but only five of these events are hosted within the San Antonio market despite existing tour routes between these other Texas facilities, indicating that concert tours are largely skipping over the San Antonio market for lack of a quality outdoor concert facility.

The competitive facility analysis is considered together with local market conditions, the historical operations of comparable venues, and potential user interviews to draw conclusions regarding the market potential for the Theater.

