



October 3rd - 7th

Event Economic Impact Report

Prepared for
City of South Padre Island Convention and Visitors Bureau

Prepared by
Business and Tourism Research Center
The University of Texas Rio Grande Valley

Research Team Leaders
Dr. Penny Simpson, Professor of Marketing and Director
Dr. Sharon Schembri, Associate Professor of Marketing
Oscar Ramos Chacon, Project Manager

The University of Texas Rio Grande Valley
Robert C. Vackar College of Business and Entrepreneurship
1201 West University Drive Edinburg, TX 78539-2999 USA
Tel: 956-665-2829 Cell: 956.240.0627
penny.simpson@utrgv.edu

Executive Summary and Survey Highlights

This report details the measured economic impact of the 31st annual South Padre Island Sandcastle Days held at Clayton's Beach Bar & Grill on October 4th – 7th, 2018. The event was organized by Clayton, Brashear (Clayton's Resort) "to demonstrate the magical sculpting qualities of South Padre Island sand AND the critical importance of protecting our beautiful coastal shores." To examine the spending of the Sandcastle Days participants on SPI, a short survey incentivized with the opportunity to enter a drawing to win two nights at Schlitterbahn Beach Resort was conducted. The survey was administered onsite for 749 completed questionnaires resulting in 582 useable responses from unique households on the Island specifically for the event.

Demographically, the event study sample had an average age of 47 years, was predominately female (68.1%), most were married (61.9%), with at least some college education (81%), worked full-time (65.0%) and was primarily Hispanic (66.6%). In terms of household income, 65.8% of the survey sample reported an income above \$50,000. Survey respondents were primarily from the US (96.2%) with 3.1% from Mexico. On average, household participants traveled an average of 165 miles with an average of 3.48 people and spent 2.24 nights on SPI during the event. Most survey respondents are considered promoters of the Island to others (92.3%), resulting in an excellent net promoter score of 91.4. Most respondents are satisfied with their SPI stay experience (98.6%) and the event (95.9%) and are likely to return to SPI for a future vacation (97.2%).

Importantly, the survey analysis found that the 5,000 household groups attended Sandcastle Days and spent an estimated weighted average of \$450 per household while on the Island for a total spending of \$2,258,868. Of this spending, lodging is the highest per household expenditure category with 36% of study respondents spending at least one night on the Island in paid lodging and staying an average of 2.24 nights. This resulted in about 4,041 total room nights, most of which were spent in hotels and condominiums or beach houses.

With the average weighted lodging expenditure of \$450 per household that spent the night on the Island, a total of \$780,422 was spent on lodging. Of this amount, 17% or \$113,395 was for the Hotel Occupancy Tax (HOT), and 10.5%, or about \$70,038, is the City's share of the HOT. Moreover, the estimated total spending on food and beverages of \$596,991 included about \$45,498 in taxes at the 8.25% rate or \$11,030 at the City 2% tax rate. Other types of expenditures, such as clothing, nightlife and entertainment amounted to \$873,455, of which \$66,568 was sales taxes, with \$16,138 the City's share.

In total, the \$2,250,868 spent during Sandcastle Days resulted in \$225,461 in tax revenue with \$97,205 the City's share. This represents a gain to the City of \$62,205 for a 177.7% return on the \$35,000 cash investment made by the CVB in Sandcastle Days as shown in the table.

Summary of Key Performance Indicators (KPI)

<i>KPI</i>	<i>Result</i>	<i>Description of KPI</i>	<i>Page</i>
CVB investment	\$35,000	Amount of funding provided by CVB to event promoter	P1
Total spending	\$2,250,868	Total spent by event households	Table 2, P9
Average spent per household	\$450	Weighted average spent per household	Table 2, P9
Number of households	5,000	Number of households at event	Figure 3, P7
Number in household	3.48	Number of people in household group at event	Figure 3, P7
Nights on SPI	2.24	Average number of nights spent on SPI	Figure 3, P7
Lodging tax	\$70,038	City share of HOT revenue: 10.5% of 17% HOT	Table 3, P10
F&B sales tax	\$11,030	City share of total tax collected from F&B spending: 2% of 8.25% of total sales tax	Table 3, P10
Other non-lodging sales tax	\$16,138	City share of total non-lodging sales tax revenue	Table 3, P10
Total City tax share	\$97,205	Total City tax revenue from event	Table 3, P10
Total tax ROI	177.7%	Return on CVB investment considering all taxes	Table 3, P10
Lodging only ROI	100.1%	Return on CVB investment considering HOT only	Table 3, P10
Net Promoter Score	91.4	Measure of customer loyalty; calculated as identified promoters less detractors	Figure 6, p11
Likely to return	97.2%	Percent somewhat or extremely likely to return to SPI	Figure 7, p11
Satisfied with SPI	98.6%	Percent somewhat or extremely satisfied with SPI	Figure 8, p11
Satisfied with event	95.9%	Percent satisfied with event	Figure 9, p12

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SPI Sandcastle Days

Introduction

The 31st annual South Padre Island Sandcastle Days was held at Clayton's Beach Bar & Grill on October 4th – 7th, 2018. The event was organized by Clayton, Brashear (Clayton's Resort) "to demonstrate the magical sculpting qualities of South Padre Island sand AND the critical importance of protecting our beautiful coastal shores." According to the organization's website, the family-friendly event with live music, art booths and food is a qualifying event for the World Championships of Sand Sculpting and attracts more than 30,000 spectators. For this year's event, 10 master sculptors were brought in to create 10 sand sculptors.

The itinerary for this year's event is:

- Wednesday, October 3rd starting at 9:00am – Masters of Sand carve as a group build Sponsors Sculptures;
- Thursday, October 4th starting at 9:00am – Start of Masters of Sand Competition
- Friday, October 5th starting at 9:00am
 - Masters of Sand continues;
 - Amateur registration and competition from 1:00pm – 5:00pm
 - Sandcastle Days Mercado, t-shirt sales
 - Live bands on stage at Clayton's
- Saturday, October 6th starting at 9:00am
 - Masters of Sand continues;
 - Sandcamp – sandcastle lessons starting at 8:00am
 - Mercado, children activities
 - Amateur registration and competition from 8:00am – 3:00pm
 - Unlitter campaign 10th Annual Trashion Show at 4:00pm
 - Awards Ceremony for at 4:30pm
 - Live bands on stage at Clayton's
- Sunday, October 7th starting at 9:00am
 - Sandcastle lessons starting at 10:00am
 - Mercado, children activities
 - People's Choice Awards at 3:00pm

SPI Sandcastle Days is a non-profit event created to promote tourism and was given \$35,000 by the South Padre Island Convention and Visitors Bureau to help fund the event. In 2016, almost \$13,000 was used to advertise in regional media and almost \$17,000 for master sculptors and slaves. The remainder was spent to management fees, prize awards, materials and supplies and printing and t-shirts. For 2017, the organizer expected to spend \$17,100 on paid media and to issue ten press releases, which would attract 30,000 people who would stay on SPI for two to three nights in 2017. Expectations for the 2018 Sandcastle Days were not available.

Method

To estimate the economic impact of the 2018 Sandcastle Days, UTRGV interviewers conducted a survey (see Appendix A) among event attendees around Clayton’s Beach Bar & Grill on South Padre Island during the following times as recommended by the event director as best to reach the most attendees:

- Saturday, October 6th from 8:00am to 4:30pm –just before the Awards Ceremony,
- Sunday, October 7th from 10:00am to 3:00pm—just before the People’s Choice Awards.

As an incentive, survey respondents were offered a chance to win two nights at Schlitterbahn Beach Resort and were also offered SPI promotional products which substantially helped to recruit respondents. Respondents were asked to complete the survey by paper on clipboards. Many potential respondents not agreeing to participate in the survey onsite were given note cards (see Figure 1) inviting online survey participation.



FIGURE 1. HARD COPY NOTE CARDS USED TO ENCOURAGE ONLINE SURVEY COMPLETION

Interviews

A total of 40 different trained interviewers, the project manager, a supervisor, and a drone operator attended Sandcastle Days, which was held on and around Clayton's Beach Bar & Grill on South Padre Island, were onsite on Saturday, October 6th from 8:00am to 4:30pm—just before the Awards Ceremony, and on Sunday, October 7th from 10:00am to 3:00pm—just before the People's Choice Awards. Interviewers were highly visible by wearing bright orange t-shirts and visors and randomly approached potential respondents in a professional manner and administered the paper survey on clipboards to facilitate survey administration with the data to be entered into an online link later by the interview team. Some event attendees were given a note card with a link to the online survey as shown in Figure 2 but no useable responses were obtained online. The onsite interviews yielded 749 completed responses, however, a number of the responses were eliminated as follows:



Some event attendees were given a note card with a link to the online survey as shown in Figure 2 but no useable responses were obtained online. The onsite interviews yielded 749 completed responses, however, a number of the responses were eliminated as follows:



- 14 responses were eliminated as being from another responding household member;
- 116 responses were eliminated because the respondents were not on the Island for the event; and,
- 11 were discarded because the respondents lived within ten miles.

The result is 582 useable questionnaires for analysis. With about 8,490 adults passing by the interviewers as the sample population (See next section), the response rate of 749 completed responses is 8.8%.



Estimated attendance

Knowing the number of people attending any event is crucial to estimating the economic impact of the event. Accordingly, the research team manually counted attendance during the times they were at the SPI Convention Center via a manual hand counter and by a drone. The manual counter counted 4,590 adults on Saturday, October 6th from 8:00am until 4:30pm and 3,900 adults on Sunday from 10:00am to 3:00pm for a total 2-day count of 8,490. Because spectators were likely at the event at times when the interview team was not present, we estimate that 10,000 adults attended 2018 Sandcastle Days. The surveys indicated that each household consisted of 3.48 members. Assuming that each household group consists of two adults and 1.48 children, then an estimated 17,400 people were at the event.

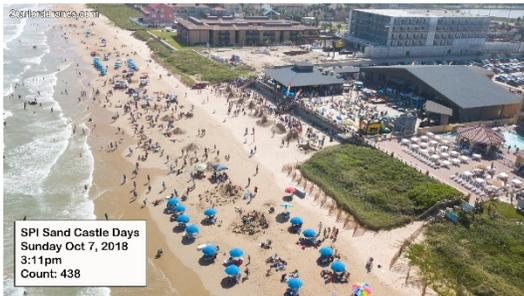
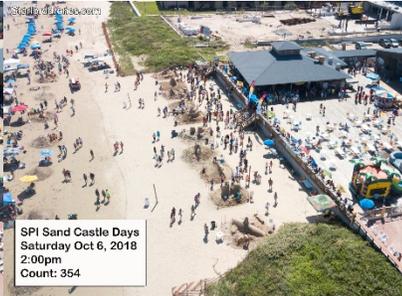
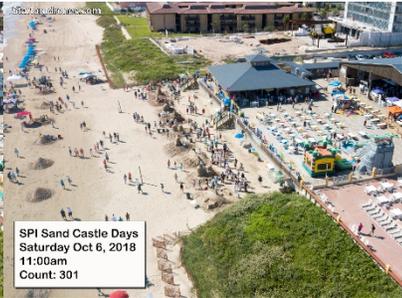


The appropriate unit of analysis, however, is ‘the household’ since spending questions are asked about ‘household expenditures’ rather than individual expenditures. To determine the number of households at the event, the total number of attendees (17,400) is divided by the average household size (3.48) as found in the survey (see Figure 3, p7). This calculation indicates that 5,000 households were at the event.

Finally, **drone** tracking pictures were taken hourly by Starlord Drones throughout the two days the interview team were onsite with the counts shown in Table 1. The counts and pictures on the next page show large numbers of attendees at the event.

TABLE 1. DRONE COUNT OF ATTENDEES

Saturday	Count	Sunday	Count
10:08am	183	10:18am	244
11:00am	301	11:03am	202
12:07pm	400	12:16pm	521
1:12pm	367	1:02pm	457
2:00pm	354	2:10pm	490
3:30pm	503	3:11pm	438
4:34pm	534		



Results

Survey participants travel and SPI stay characteristics

In all, 582 useable surveys were completed by people specifically on South Padre Island for 2018 SPI Sandcastle Days. Survey respondents were first asked to indicate their role or participation type in the event. Figure 2 shows that by far, most of the respondents surveyed (92.6%) were event spectators. The remaining event participants were registered for the event (1.9%), volunteer/staff (1.9%) or sponsors/vendors (1.2%).

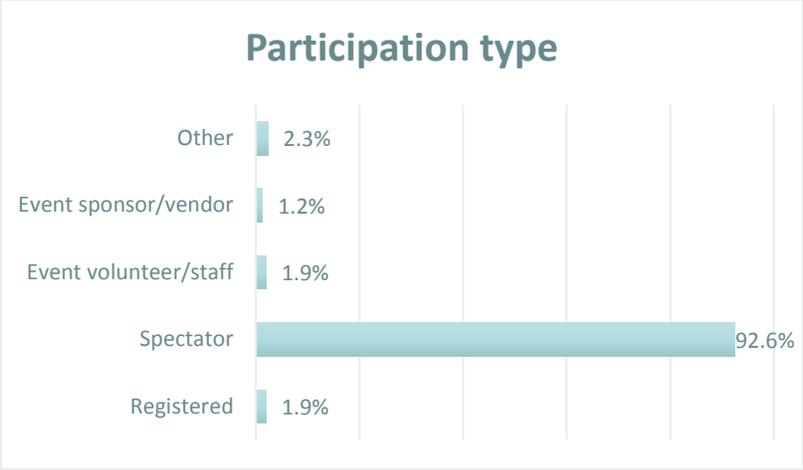


FIGURE 2. PARTICIPATION TYPE

Next, respondents indicated how many people were in their household while at the event, the number of nights spent and the number of miles traveled to the event. The number of people reported in the household for the event ranged from 1 to 15 for an average of 3.48 as seen in Figure 3. Data featured in Figure 3 also shows that, on average, study participants traveled 165 miles to attend the event, although distances traveled ranged from 10 to 2,000 miles and spent an average of 2.24 nights on SPI for the event with a range of 0 to 45.

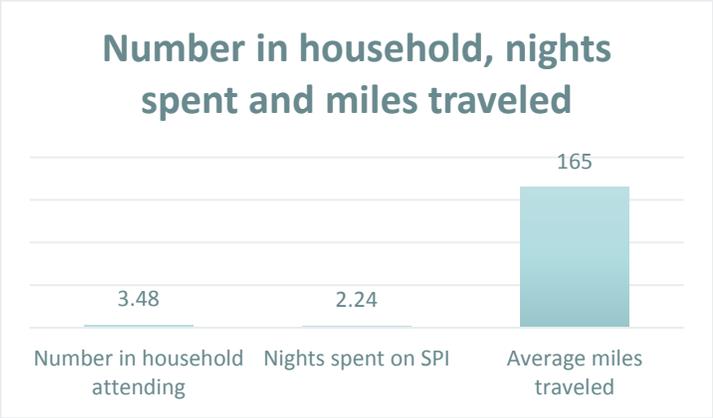


FIGURE 3. AVERAGE MILES TRAVELED, GROUP SIZE AND NIGHTS SPENT

One response that reported spending 60 nights on the Island was eliminated as an outlier to avoid disproportionately skewing the average number of nights spent.

Figure 4 breaks down the percent of respondents by number of nights spent on SPI and shows that 28% of respondents did not spend the night on SPI. Of those spending the night, most respondents spent one (16.8%) or two nights (29.1%) although 12.3% spent 3 nights and 5.9% spent 4 nights on the Island. Slightly more than 7% spent more than five nights on SPI for the event.



FIGURE 4. PERCENTAGE SPENDING THE NIGHT ON SPI

Figure 5 shows the types of lodging used. While 44.1% of event attendees did not spend the night on the Island, Of those who did, 28.2% spent the night in a hotel/motel room, 13.3% rented a condominium or beach house, 3.2% stayed with family or friends, and 3.5% stayed in their own SPI residence.

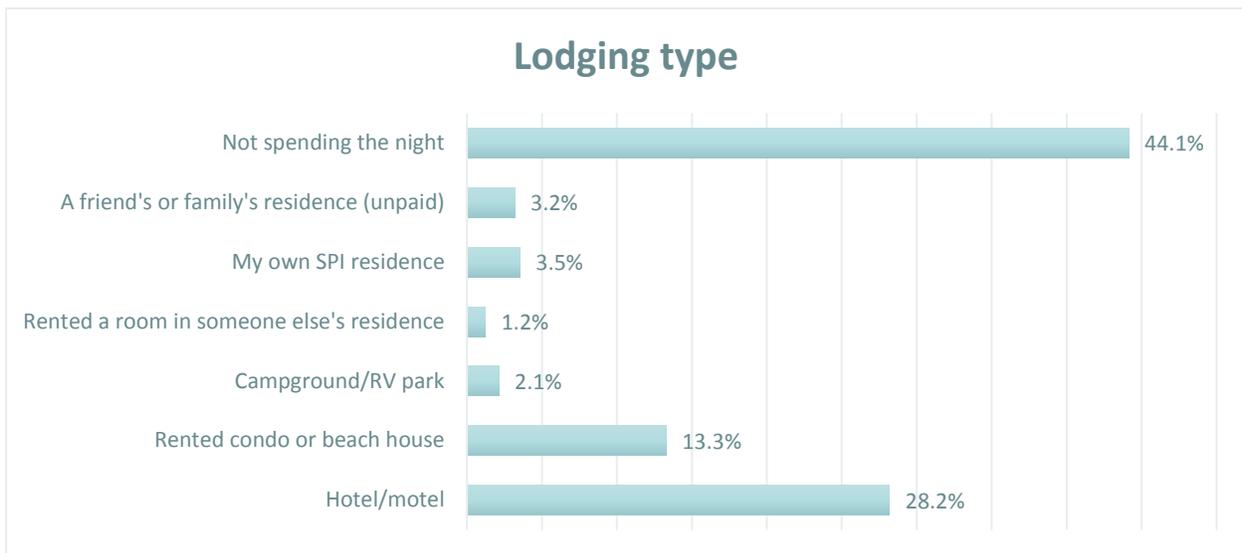


FIGURE 5. TYPE OF LODGING

Moreover, with 36% (Table 1, p9) of the estimate 5,000 households spending an average of 2.24 (Fig. 3, p7) nights on the Island, the Sandcastle Days event should have resulted in 4,041 room nights.

Sandcastle Days attendees accounted for 4,041 room nights.

Estimated spending

Study respondents were asked to indicate how much money they spent in various expenditure categories. All reported expenditure amounts were assumed to include sales taxes except that lodging was assumed to be stated without HOT so was adjusted upward by 17%, the HOT rate. The total average reported expenditure by category was then multiplied times the percentage of respondents who reported spending in that expense category to arrive at the average weighted spending per expense category.

Results, in Table 2, indicate that the average amount spent on lodging, as adjusted by 17%, was \$433 with a weighted average of \$156 considering that 36% of respondent households spent money on lodging for a total of \$780,422 spent on lodging. Average spending on food and beverages was \$139 with a weighted average of \$119, including sales taxes, for a total category spending of \$596,991. The total spent on all other categories was \$873,455. In total, 5,000 Sandcastle Days attendee households spent a weighted average of \$450 for a total spending on South Padre Island of \$2,250,868.

TABLE 2. TOTAL AVERAGE WEIGHTED SPENDING

Expenditure category	Total average	% spending in category	Weighted spending per HH	Total spending per HH
Lodging	\$433	0.36	\$156	\$780,422
Food & Beverages	\$139	0.86	\$119	\$596,991
Night life	\$102	0.30	\$30	\$151,313
Attraction entertainment	\$105	0.21	\$22	\$109,648
Retail	\$75	0.38	\$28	\$141,761
Transportation	\$71	0.51	\$36	\$182,431
Parking	\$32	0.04	\$1	\$7,062
Admission fees	\$39	0.07	\$3	\$12,586
Clothing	\$105	0.15	\$16	\$77,766
Groceries	\$90	0.29	\$26	\$130,012
Other	\$182	0.07	\$12	\$60,876
Total	\$1,373		\$450	\$2,250,868

The estimated direct spending on South Padre Island as attributed to the 2018 SPI Sandcastle Days is \$2,250,868, within a 3.5% confidence interval of plus or minus \$78,780 given the assumptions of a random sample selection.

Tax benefits of spending during event

To calculate the tax revenue accruing from event attendee spending, the following tax rates are assumed:

- 17% hotel occupancy tax rate;
- 10.5% City's share of the hotel occupancy tax rate;
- 8.25% sales tax on all non-lodging spending;
- 2% is the City's share of non-lodging sales tax.

The spending reported in Table 2 should result in the tax revenues shown in Table 3. Total spending on lodging should result in total tax revenue of \$113,395 with the City's share at 10.5% totaling \$70,038. Total spending on food and beverages should result in \$45,498 in tax revenue with \$11,030 the City's share while total spending in all other expense categories should yield \$66,568 in sales tax revenue with \$16,138 the City's share. Altogether, the tax revenue should be \$225,461 with \$97,205 the City's share. The return from the City's share of the hotel tax alone on the \$35,000 invested in the event is 100.1% but is 177.7% considering the City's share of all the tax revenue.

TABLE 3. SPENDING, TAX REVENUE AND ROI

Spending category	Amount spent	Total HOT	Total sales tax	City's % share	City's \$ share	ROI
Lodging	\$780,422	17%	\$113,395	10.50%	\$70,038	100.1%
Food & Beverage	\$596,991	8.25%	\$45,498	2%	\$11,030	
All non-lodging	\$873,455	8.25%	\$66,568	2%	\$16,138	
Totals	\$2,250,868		\$225,461		\$97,205	177.7%

Total spending of 2018 SPI Sandcastle Days attendees resulted in an estimate tax revenue of \$225,461, with \$97,205 going to the City of South Padre Island. With an investment of \$35,000 in the event, the return to the City is 100.1% considering only the 10.5% share of HOT but 177.7% considering all the City's estimated tax revenue share.

The SPI Experience

The next section of the survey asked Sandcastle Days attendees about their stay on SPI. In this section, the “net promoter” question was used to determine how likely survey respondents are to recommend SPI as a place to visit to friends or colleagues.

The results, shown in Figure 6, indicate that most study respondents (92.3%) are promoters of SPI while only less than 1% are detractors. This yields a net promoter score (NPS) of 91.4, which is excellent. For example, the hotel industry has a NPS of 39 (www.netpromoter.com/compare).

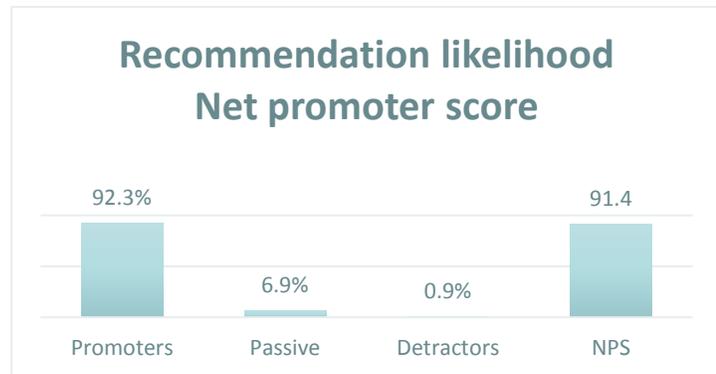


FIGURE 6. NET PROMOTER SCORE

Respondents were also asked how likely they are to return to SPI, how satisfied they were with the SPI experience and how satisfied they were with the event. As seen in Figure 7, by far most respondents (97.2%) are likely to return to the Island at some time in the future.

Not surprisingly then, most respondents (88.8%) were very satisfied with the SPI experience and 9.8% were somewhat satisfied for a total SPI satisfaction of 98.6%. Only five people (0.9%) reported being very dissatisfied with the SPI experience as shown in Figure 8.

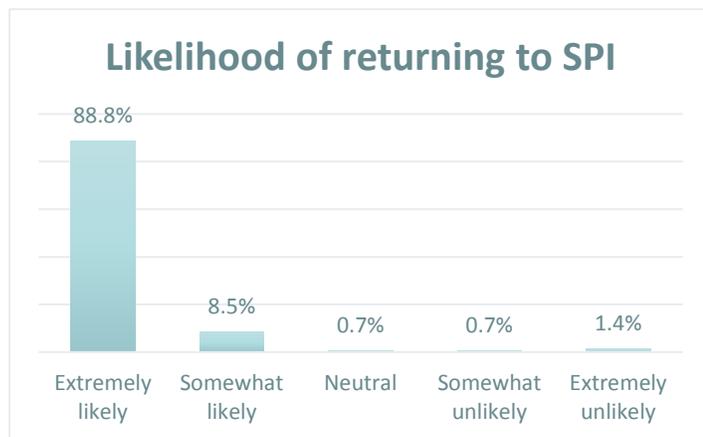


FIGURE 7. LIKELIHOOD OF RETURNING TO SPI IN THE FUTURE



FIGURE 8. SATISFACTION WITH THE SPI EXPERIENCE

Similarly, most respondents (95.9%) were satisfied with the Sandcastle Days event and only five (0.9%) reported being dissatisfied. These results are shown in Figure 9.

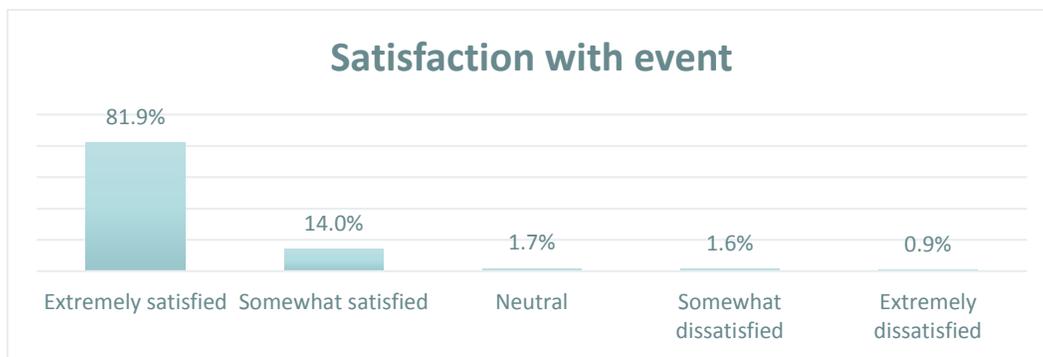


FIGURE 9. SATISFACTION WITH EVENT

NOTE: Respondents were asked to provide suggestions for improving their stay on SPI. The unedited comments are as follows:

- A waiter to walk around asking for drinks.
- Accessible to handicap
- Accessibility options wheelchair accessible walker. Censorship sensory issue
- ATM's
- Attraction/Entertainment during day
- Better parking!!
- Better sound system, label the castles
- Bigger contest/more contestant
- Biggest prizes for amateurs
- Chiller security
- Continue with excellent shuttle service
- Do it a different time, not when there's red tide
- Every covered
- Expand
- Expensive groceries for living
- Fix the parking

- Fix the parking
- Free drinks
- Free drinks
- Free drinks, local news
- Free drinks, more sand castles.
- Free margaritas
- Great festival
- Have more
- I saw tagging
- Improve parking
- It seems a little smaller this year. I like the bigger displays - maybe a bigger effort could be made to attract more artists.
- Its good
- Its good
- Its good
- Its good
- Its perfect
- Kore castles
- Make it a whole week not just a weekend
- Make it bigger
- MC is rude!
- More
- More
- More
- More ads!
- More amateur competitors
- More artists
- More attractions.
- More bathrooms

- More castle\more attractions for kids
- More castles
- More castles to see
- More castles to see
- More competitors
- More displays
- More entrances
- More events for families
- More free attractions to attract people
- More information about occurring events
- More local vendors to the event besides the claytons bars
- More markets
- More parking
- More parking
- More parking
- More parking

- More parking
- More parking in the shade
- More participants
- More participants
- more participation
- More participation
- More professionals
- More room to walk around sculptures
- More sand castles
- More sand castles, rules are too strict, restaurant complaint
- More sandcastles
- More sandcastles
- More sandcastles
- More seating
- More shade
- More shade to protect from sun
- More shade!
- More shade.
- More shaded areas
- More shaded areas to sit

- More shaded areas, super hot!
- More trashcans so that there maybe less trash on the beach
- More vendors
- More vendors on the beach tickets, and local handmade
- More visible water stations
- Move it from Clayton's. They make everything expensive.
- New people
- One or more buildings that can explain/show answer questions more often. Not in competition so they have the time.
- Parking
- Parking
- participant think its really nice

- Pave the parking lot
- People don't get/understand why the buckets are by the artists signs for "peoples favorite" this should constantly be announced! Thx
- Seats
- Shade
- Shade
- Shade
- Shade!
- Splash event billed as a Drag Queen show needs to be done after 10:00 when vendors are leaving & small children are gone. Not acceptable volume, language, or music for general public.
- Start earlier in the week, so sculptures

- can be completed by Friday
- The elevator music and the speaker with the British accent were terrible. The MC was negative and condescending.
- The parking lot is terrible so if they could do something about it, that would be great.
- There are less castles than years before
- Trolley to event
- We are go to be in thing
- We need a boardwalk and a casino
- Webcam to watch sand castle building

Respondent Demographics

The remainder of the study assessed respondent demographic characteristics.

Targeted survey respondents were those 18 + years and the average age of all respondents was 47 years-of-age although ages ranged from 18 to 96.

Most respondents were female (68.1%), a majority were married (61.9%) and most had at least some college (81%) as shown in Figures 10 through 12, respectively.

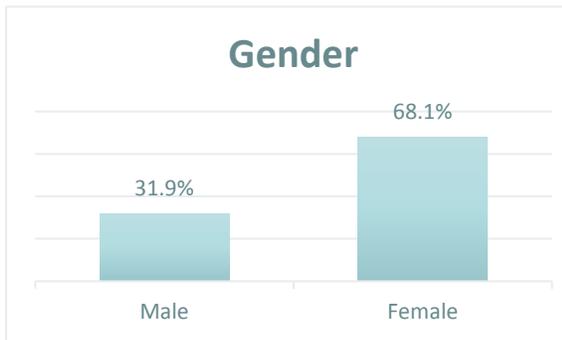


FIGURE 10. GENDER

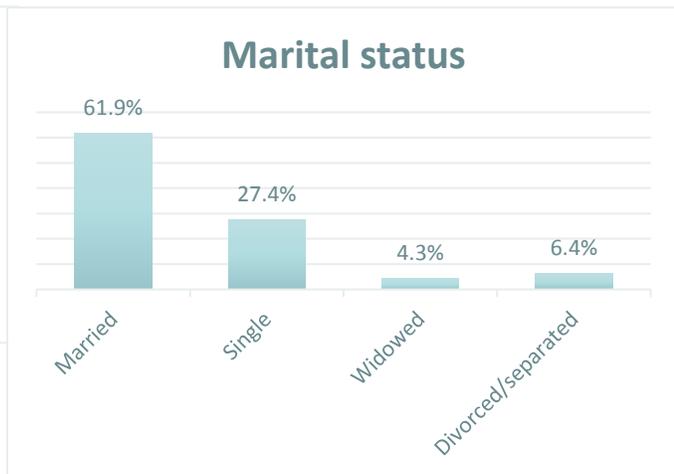


FIGURE 11. MARITAL STATUS

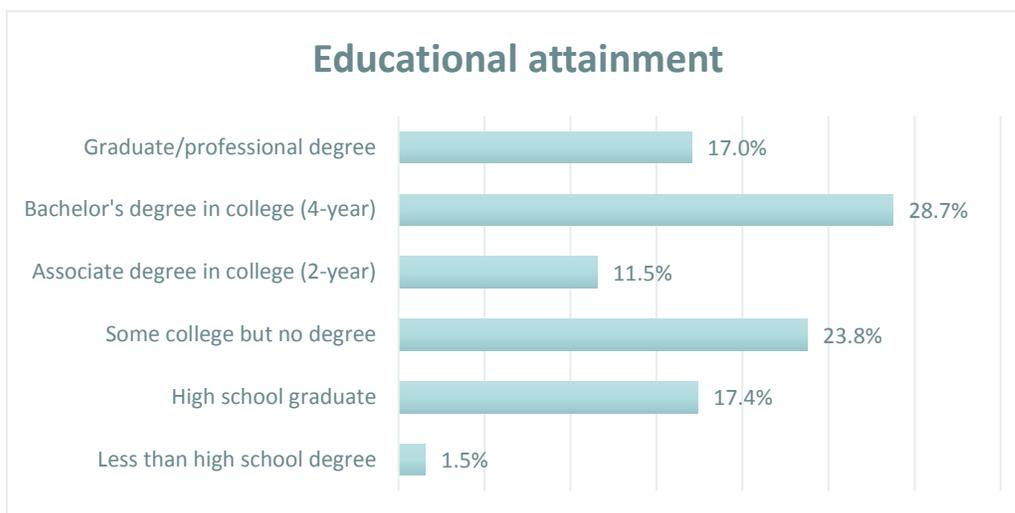


FIGURE 12. EDUCATIONAL ATTAINMENT

Most study respondents work full-time (65%), although 7.2% work part-time and 20.2% are retired as seen in Figure 13.

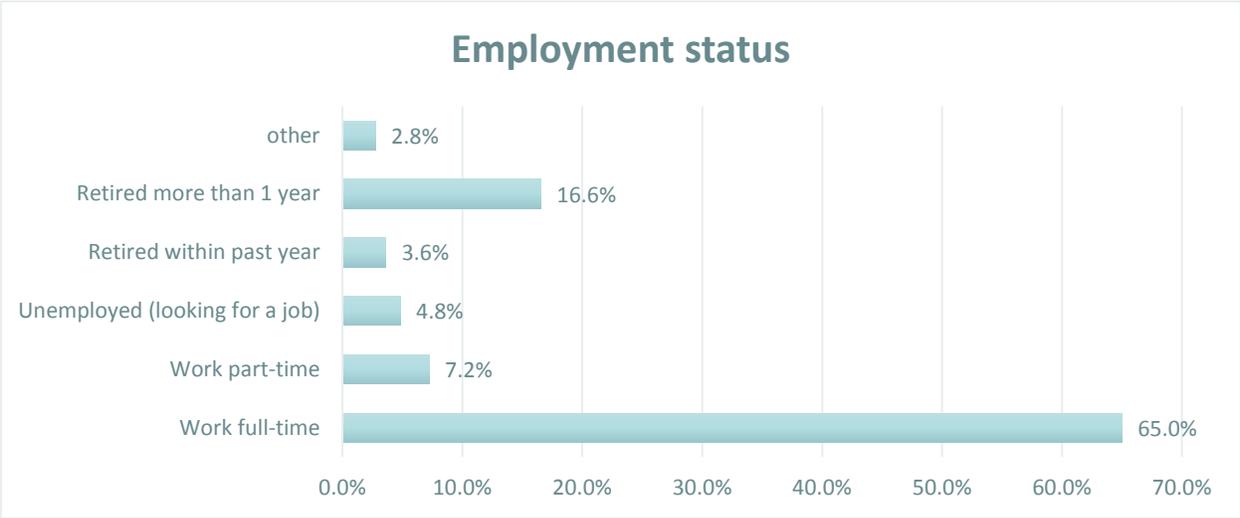


FIGURE 13. EMPLOYMENT STATUS

Most Sandcastle Days study participants reported having a higher-than-average household income level; 65.8% indicated an annual household income above \$50,000 (Figure 14).

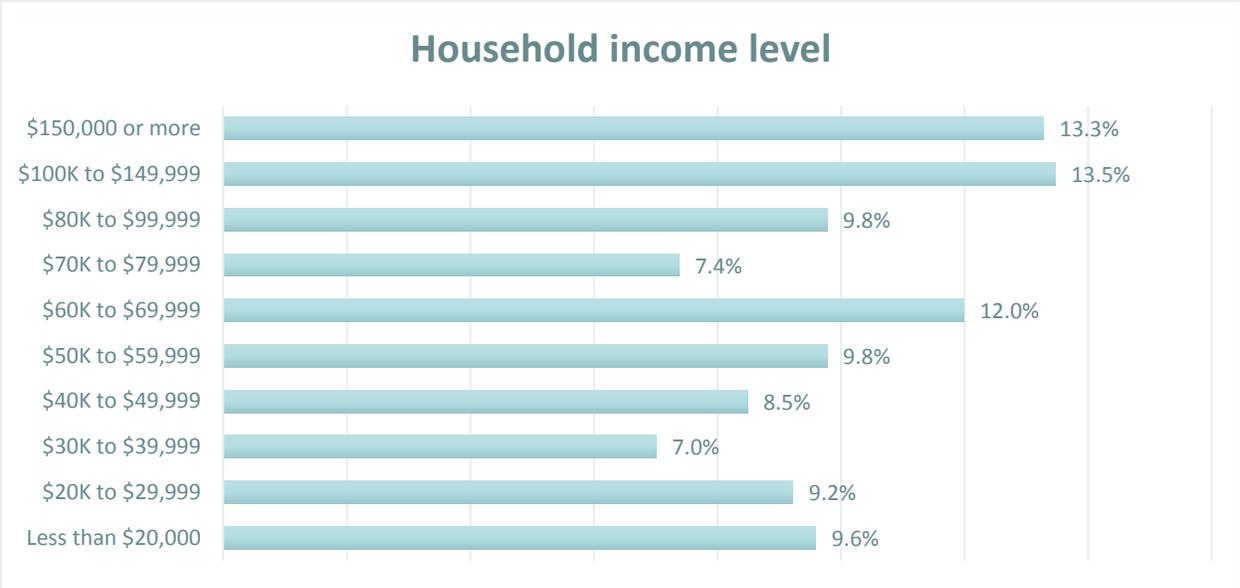


FIGURE 14. HOUSEHOLD INCOME LEVEL

Respondents were also asked to indicate their ethnicity but could select as many ethnicities as appropriate. Results in Figure 15 show that 66.6% of respondents considered themselves Hispanic while 30.7% indicated being White.

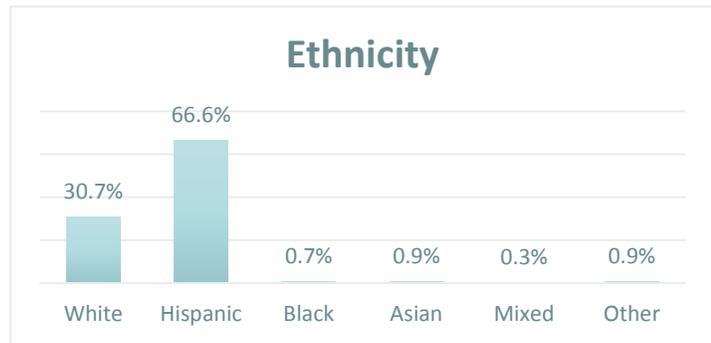


FIGURE 15. ETHNICITY

Finally, respondents were asked to indicate their home country and current residence zip/postal code. Most respondents reported the United States as their home country (96.2%) and 3.1% indicated being from Mexico as shown in Figure 16.

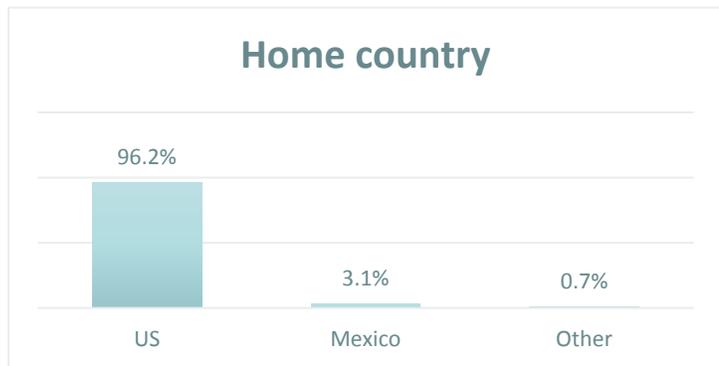


FIGURE 16. HOME COUNTRY

Specific zip or postal codes of study respondents and of study participants are shown and mapped in Appendix B.

STR Report

Additional data to provide evidence about the impact of an event on the SPI economy comes from the STR Destination Report provided to the SPI CVB. STR is a “global data benchmarking, analytics and marketplace insights” firm that gathers, analyzes and reports data from hotel owners/operators for benchmarking purposes. The Report includes data regarding hotel occupancy, average daily rate (ADR), revenue per available room (RevPAR), supply, demand, and revenue as provided by reporting SPI hotel owner/operators for last year as compared to this year. This data may be viewed in two ways. One way is to examine the trends over the past month to determine whether the hotel metrics changed because of event as compared to the rest of the month and the other way is to compare the metrics during the event time period to those of the same time period in the previous year.

Sandcastle Days began with sand sculpting on Wednesday, October 3rd but the major event days for spectators were Saturday, October 5th and Sunday, October 6th. This means that most event attendees who spent the night on SPI would have done so on Friday and or Saturday night. The following figures show the hotel metrics for Friday and Saturday (the month trend) for this year as well as for the same time period as last year (the year trend).

The occupancy rate for the days examined range from 65.7% for Friday to 84% for Saturday for an average of 74.8%, which is about the same as the same-day period last year (74.6%). This year’s 2-day average is well above the week-period of 47.5% as well as the 28-day rate of 47.5%.as seen in Figure 17. This represents an average increase in period occupancy of 0.3% over the same period last year.

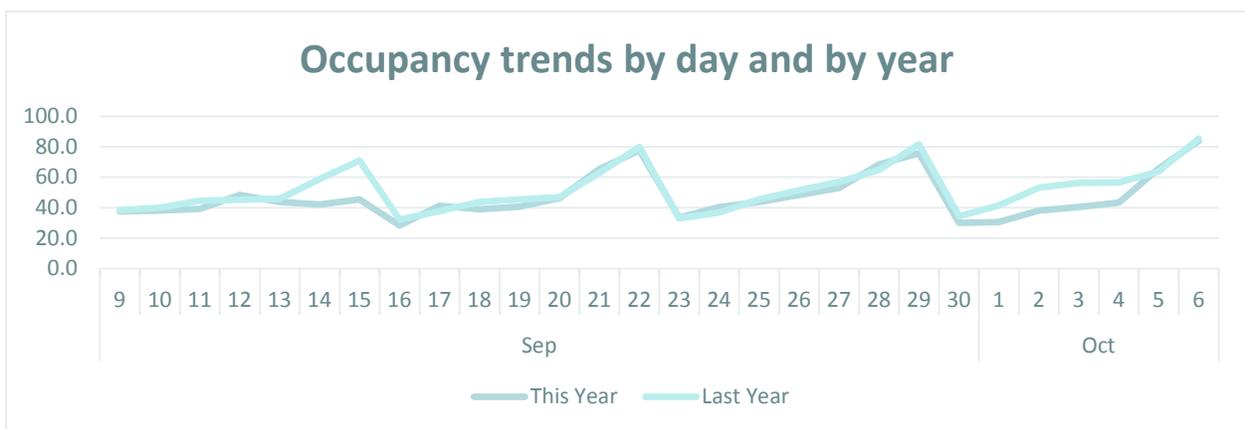


FIGURE 17. STR OCCUPANCY RATES BY DAY AND YEAR

The average daily rate (ADR) of rooms for the event nights are slightly lower than room rates compared to the same day-period of last year. This year, the room rates ranged from \$93.35 on Friday to \$107.54 on Saturday for an average rate of \$100.44, whereas last year's rate ranged from \$93.97 on Friday to \$108.15 on Saturday (average of \$101.06). The average room rate of this year's time period represents a .06% decrease in ADR over the same days as last year but is higher than the average rate for this year's 28-day period (\$92.35) as well as last year's (\$94.35) as shown in Figure 18.

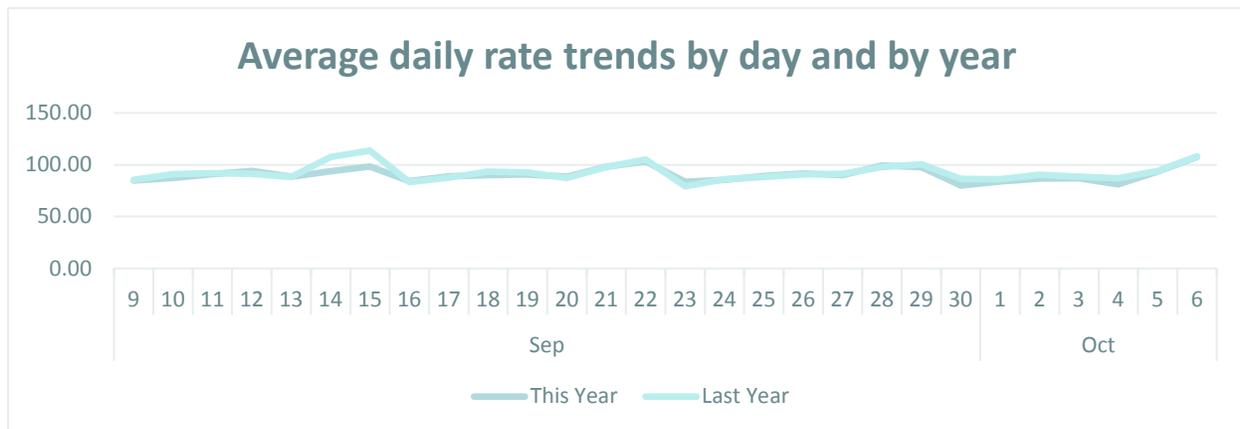


FIGURE 18. STR ADR TRENDS BY DAY AND YEAR

Figure 19 shows the revenue per available room (RevPAR) for the same month-long time period. The average RevPAR for the nights of the event range from \$61.36 on Friday night to \$90.28 on Saturday night, with an average rate of \$75.82, which is below last year's same-day period average of \$76.20, a decline of 0.5%. The 2-day period RevPAR is well above the 28-day period rate of \$43.83, which is below the same 28 day-period rate from last year of \$48.99, a 10.5% decline.

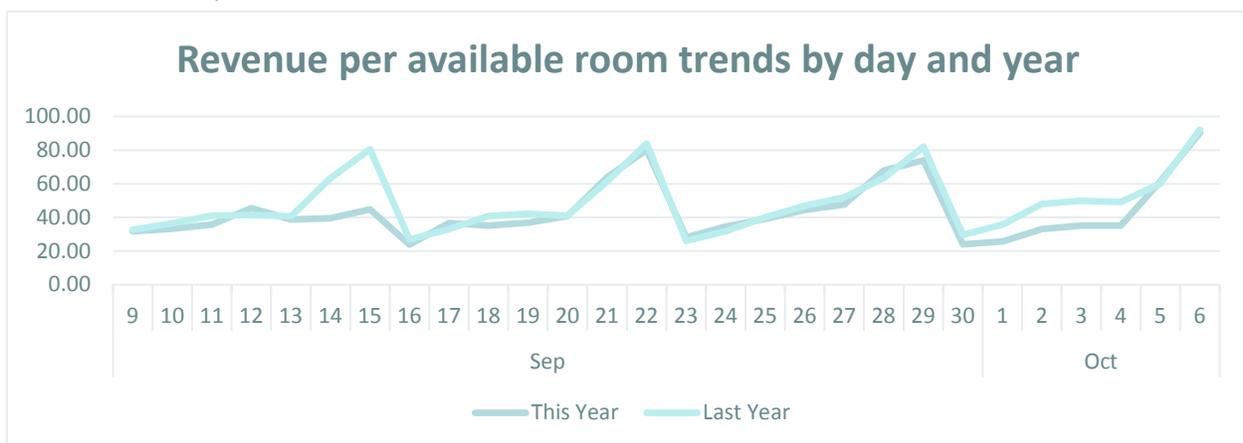


FIGURE 19. STR RevPAR BY DAY AND YEAR

Similar to the other trends, the demand trend in Figure 20 shows an improvement in rooms rented during Sandcastle Days this year over last year’s same 2-day period. For this year, the number of rooms rented ranged from 1,786 to 2,281 for an average of 2,033, which is slightly higher than last year’s 2-day period of 2,028 rooms for an increase of 0.27%. This year’s 2-day event room demand is also higher than the 28-day-long average of 1,290 rooms for this year as well as last year’s average of 1,411 rooms, although this year’s demand is significantly lower than last year’s by 8.2%.

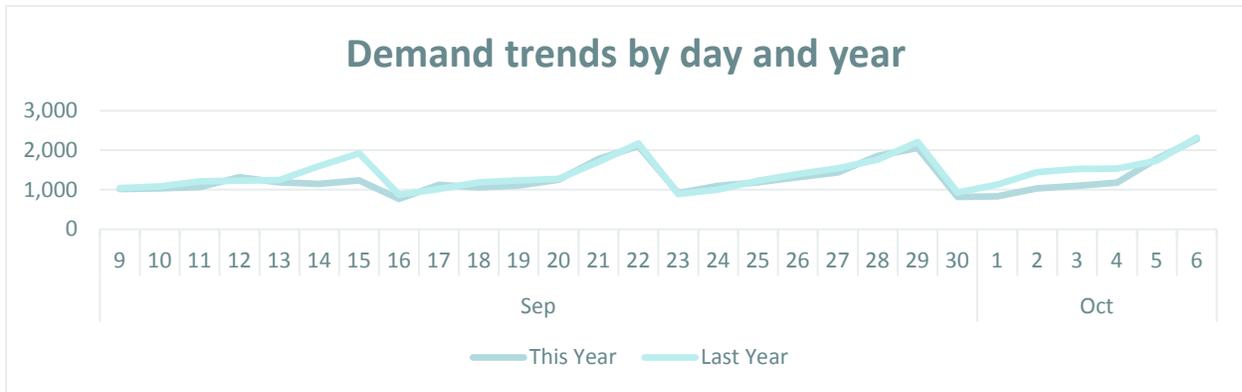


FIGURE 20. STR DEMAND TRENDS BY DAY AND YEAR

Total lodging revenue for this year’s event-period was slightly lower than last year’s by 0.5%. This year’s Sandcastle Days-days’ revenue averaged \$206,007 whereas last year’s 2-day period revenue was \$207,023 as seen in Figure 21. The average revenue is higher than this year’s 28-day-long average revenue (\$119,087) or last year’s (\$133,107). For the 28-day period, this year’s revenue is 9.5% lower than last year’s.

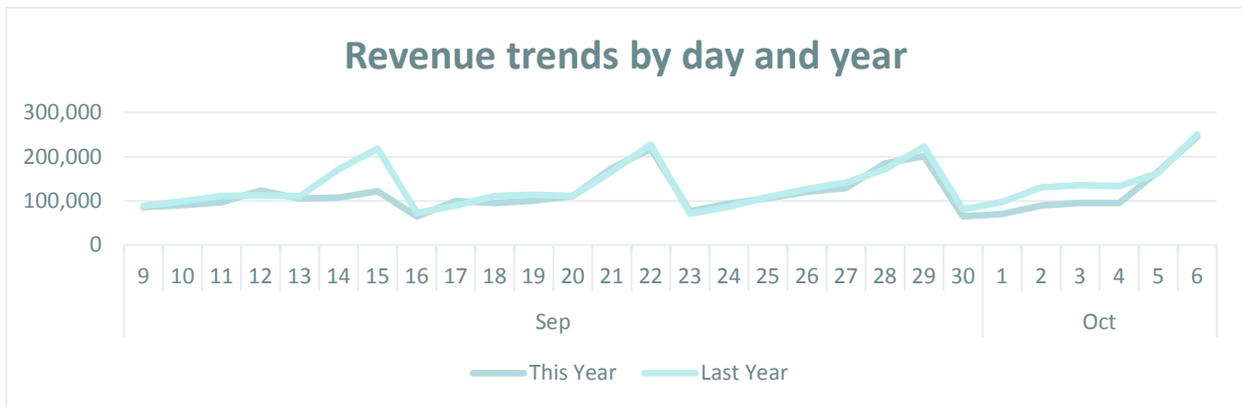


FIGURE 21. STR REVENUE TRENDS BY DAY AND YEAR

Finally, Figure 22 summarizes the percent change in hotel occupancy, ADR, RevPAR, demand and revenue for the 2-night period that Sandcastle Day attendees would have spent the night on the Island. Other than ADR, the metrics for Friday night were all higher this year than last but for Saturday night, all metrics examined were lower this year than last year.

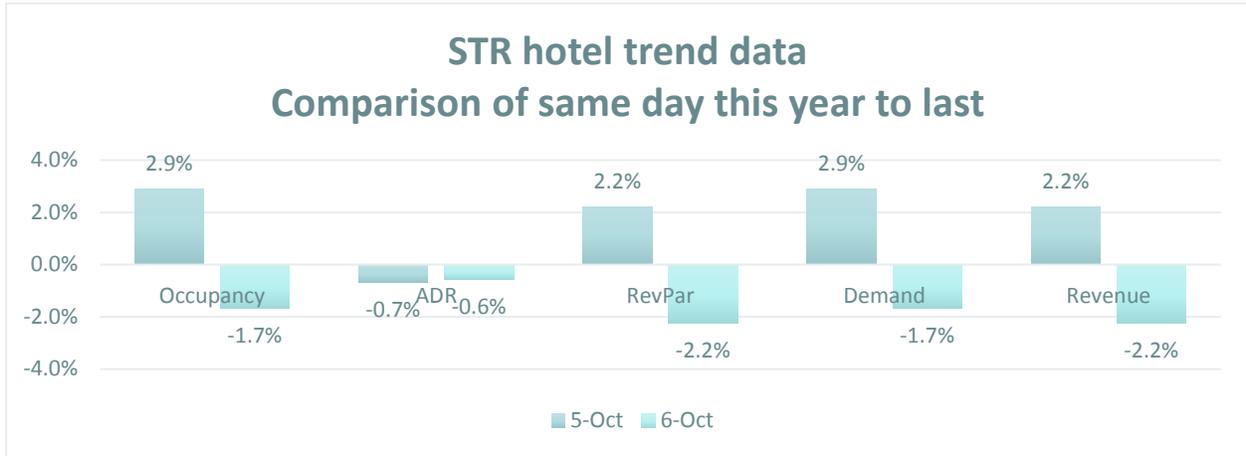


FIGURE 22. STR HOTEL TREND DATA 3-DAY COMPARISON

Assuming that no other factors, such as the weather or other events could have played a role in affecting the metrics, the STR metrics suggest that Sandcastle Days positively affect lodging over the 28-day period but did not significantly increase SPI lodging metrics over those of last year.

Most measures of lodging performance as provided by STR increased on the Friday night of Sandcastle Days but all decreased on Saturday night as compared to the same day period last year.

Note: The STR data is derived from 11 hotel owner/operator reporting data for this year and last year. This represents 35.5% of the census of 31 open hotels listed in the STR Census and 48.4% of the hotel rooms listed, thus all results should be interpreted accordingly without a high degree of assurances of generalizability.

Concluding remarks

This report has detailed the amount of money spent on South Padre Island by people attending the 31st annual South Padre Island Sandcastle Days held at Clayton's Beach Bar & Grill on October 4th – 7th, 2018. The results of the study were obtained by administering a short onsite survey, which offered respondents an incentive to enter a drawing to win two nights at Schlitterbahn Beach Resort. A total of 749 completed surveys resulted in 582 useable responses for the analysis.

Demographically, the study sample was comprised of predominately of married females who were an average of 47 years-of-age, had at least some college education, were employed full-time, had a household income above \$50,000, identify ethnically Hispanic and were from the US. The average household came to the event with 3.48 people, had traveled an average of 165 miles and 36% spent the night on SPI for an average of 2.24 nights.

By combining the count of people at the event and survey results, event attendees generated an estimate 4,041 SPI room nights. STR data provides support for the study's finding that the event did have a considerable effect on the number of rooms booked during the event nights but did not improve lodging over the same day-period as last year. With an average total weighted lodging expenditure per household of \$450, event attendees spent a total of \$780,442 on lodging, resulting in about \$70,038 in the City's share of the Hotel Tax revenue. Spending on food and beverages by event attendees was about \$596,991, which should yield \$11,030 to the City at a tax rate of 2%. Total spending in other expenditure categories of \$873,455 should provide the City with \$16,138 in sales tax revenue.

Considering only the City's share of the hotel tax revenue, the City gained \$35,038 or 100.1% on their \$35,000 investment. Considering all tax revenue from all spending, the City should receive \$97,205 in taxes for a gain of \$62,205 or a 177.7% return on the \$35,000 cash investment provided to the event organizer.

By far, most Sandcastle Days survey participants are "promoters" in recommending SPI to others, are likely or extremely likely to return to SPI for a future vacation and are satisfied with their overall SPI experience during the event. Not only did the event generate a positive return on the City's investment in the event, the overall SPI and event experience of the attendees will likely result in many returning to the Island for future vacations.

Appendix A: Survey

SPI Sandcastle Days Survey, October 3-7, 2018

This survey is to understand your household experience and spending during Sandcastle Days. *The one person, older than 18, best able to report on spending for all people in your household at the event should complete this survey.* Responses are very important to planning future events. As a thank you, you may enter a drawing for a 2-night stay at the Schlitterbahn Beach Resort. Responses are confidential and individual information will not be included in survey results or shared with others. Contact the Business and Tourism Research Center at UTRGV at businessresearch@utrgv.edu or call 956.665.2829 for questions.

1. Have you or someone else in your household already completed this survey? Yes No If yes, return this survey.

2. Did you come to South Padre Island specifically for Sandcastle Days? Yes No: if no, return this survey. Thanks!

3. About how many miles did you travel to attend Sandcastle Days? _____ miles

4. Which of the following best describes your participation in Sandcastle Days (Check all that apply)?

Registered angler Event volunteer/staff
 Spectator Event sponsor/vendor
 Did not attend Other _____

5. Including yourself, how many people from your household attended Sandcastle Days? _____ Number in household

6. How many nights did you (or will you) spend on SOUTH PADRE ISLAND while attending Sandcastle Days? _____ nights

7. Where are you staying (or did stay) while on South Padre Island for Sandcastle Days?

Hotel/motel Rented condo/beach house
 Campground/RV park Rented a room
 My own SPI residence Friend/family residence (unpaid)
 Not spending the night Other (please specify) _____

8. For each of the following types of expenses, please give your best estimate of the total amount you and your household spent (or will spend) during your entire time on South Padre Island for Sandcastle Days. (List only the total dollar amounts spent on SPI)

Food & beverages (restaurants, concessions, snacks, etc.)	\$
Night clubs, lounges & bars (cover charges, drinks, etc.)	\$
Lodging expenses (hotel, motel, condo, room)	\$
Local attractions & entertainment (fishing, snorkeling, kayaking, etc.)	\$
Retail shopping (souvenirs, gifts, film, etc.)	\$
Transportation (gas, oil, taxi, etc.)	\$
Parking fees	\$
SPI Admission fees	\$
Clothing or accessories	\$
Groceries	\$
Other (please specify)	\$

9. On a scale from 0-10, how likely are you to recommend South Padre Island as a place to visit to a friend or colleague?

Not at all likely 0 1 2 3 4 5 6 7 8 9 10 Extremly likely

10. How likely are you to return to South Padre Island for a vacation at some time in the future?

Extremely likely Somewhat likely Neutral
 Somewhat unlikely Extremely unlikely

11. How satisfied are you with your overall South Padre Island experience?

Extremely satisfied Somewhat satisfied Neutral
 Somewhat dissatisfied Extremely dissatisfied

12. How satisfied are you with Sandcastle Days?

Extremely satisfied Somewhat satisfied Neutral
 Somewhat dissatisfied Extremely dissatisfied

13. What suggestions do you have for improving Sandcastle Days or your stay on South Padre Island? (write on back)

14. What is your home zip or postal code? _____ code

15. What is your home country?

US Mexico Canada Other _____

16. What is your age? _____ (years of age)

17. What is your gender? Male Female Gender diverse

18. What is your marital status?

Married Single Widowed Divorced/separated

19. What is your highest educational attainment?

Less than high school Associate's degree
 High school graduate Bachelor's degree
 Some college, no degree Graduate/professional degree

20. What is your current employment status?

Work full-time Retired within past year
 Work part-time Retired more than 1 year
 Unemployed (looking for a job) Other (Please specify)

21. What is your combined annual household income?

less than \$20,000 \$60K-\$69,999
 \$20K-\$29,999 \$70K-\$79,999
 \$30K-\$39,999 \$80K-\$99,999
 \$40K-\$49,999 \$100K-\$149,999
 \$50K-\$59,999 \$150,000 or more

22. What is your ethnicity? (Select all that apply)

White Hispanic Mixed
 Black Asian Other _____

Enter the drawing for a 2-night stay at the Schlitterbahn Beach Resort. Contact information is confidential and will be deleted after the drawing.

Name _____
 Phone number: _____
 Email: _____

Winners will be notified no later than 2 weeks after event.

THANK YOU VERY MUCH!!!

Appendix B: Respondent's zip or postal code and frequency of response and zip code map

Zip code	%
13021	.1
18589	.1
30625	.1
34448	.1
35077	.1
46901	.1
48324	.1
49506	.1
50510	.1
54659	.1
55804	.1
56360	.1
57108	.1
57434	.1
57890	.1
60444	.1
61704	.1
62242	.1
63128	.3
63343	.1
63367	.1
64081	.3
66210	.1
67042	.3
70586	.1
73344	.1
73542	.1
74512	.1
75001	.1
75006	.1
75007	.3
75032	.1
75033	.1
75050	.1

Zip code	%
75067	.1
75069	.3
75080	.1
75092	.1
75126	.1
75134	.1
75155	.1
75185	.1
75248	.1
75520	.1
75791	.1
76005	.1
76012	.1
76028	.1
76051	.1
76052	.6
76109	.1
76207	.1
76240	.3
76262	.1
76513	.1
76542	.1
76579	.1
76877	.1
77025	.1
77091	.1
77095	.1
77108	.1
77375	.1
77381	.3
77386	.1
77482	.1
77488	.1
77494	.1

Zip code	%
77504	.1
77515	.1
77520	.1
77532	.1
78002	.1
78006	.1
78028	.1
78043	.1
78109	.1
78154	.3
78160	.1
78209	.3
78216	.1
78217	.1
78221	.1
78223	.1
78228	.1
78230	.1
78238	.1
78239	.1
78240	.3
78245	.3
78247	.1
78261	.3
78284	.1
78316	.1
78321	.1
78333	.1
78342	.1
78347	.1
78382	.3
78411	.1
78413	.1
78414	.1

Zip code	%
78500	.1
78501	3.5
78502	.1
78503	1.2
78504	3.0
78510	.1
78511	.1
78516	1.3
78520	3.8
78521	5.2
78522	.1
78525	.1
78526	5.8
78528	.1
78529	.1
78536	.1
78537	2.2
78538	.4
78539	2.3
78540	.1
78541	1.9
78542	2.8
78550	5.5
78552	4.9
78553	.3
78557	.1
78559	.6
78560	.1
78564	.1
78566	2.8
78569	.4
78570	2.0
78572	4.3
78573	.9

Zip code	%
78574	1.0
78575	.4
78576	.4
78577	2.3
78578	1.6
78579	.1
78580	.4
78582	.7
78583	.9
78584	.1
78586	4.2
78589	.6
78592	.1

Zip code	%
78593	.1
78596	3.0
78597	1.6
78598	.3
78599	1.3
78613	.3
78620	.4
78639	.1
78641	.3
78643	.1
78645	.1
78664	.3
78665	.1

Zip code	%
78666	.6
78681	.1
78683	.1
78701	.1
78727	.1
78730	.3
78748	.1
78749	.1
79562	.1
79912	.1
79938	.1
80442	.3
80516	.1

Zip code	%
80601	.1
81502	.1
85132	.1
87019	.1
88256	.1
88970	.1
89032	.1
89134	.1
90230	.1
92008	.1
94536	.1
98765	.1
99133	.1

