



## A N N U A L   R E P O R T   2 0 1 8

travel matters



to our  
growers.



There are numerous farms, vineyards and orchards in Gillespie County that rely on the travel industry to bring an influx of customers. Every visitor helps support their families and the families of their employees.



# Message from the President

## TRAVEL MATTERS TO FREDERICKSBURG AND GILLESPIE COUNTY

It's no secret that tourism is a large part of the successful economy in Fredericksburg and Gillespie County. Just how large depends on who you ask, but what is not up for debate is that travel matters to Fredericksburg. This community would look vastly different were it not for visitors.

Throughout its history, the Fredericksburg Convention and Visitor Bureau (FCVB) has highlighted our destination's exceptional people including its growers, artists and musicians, chefs, winemakers and brewers, historians and preservationists, outdoor enthusiasts, retailers, innkeepers and residents, in an effort to attract visitors to the area.

Each of those sets of people have chosen Fredericksburg for a home, and we are honored to have the opportunity to tell their stories to people around the world.

With total direct travel spending up over \$100 million and local tax receipts over \$3.3 million in Gillespie County according to the Office of the Governor, the data confirms that tourism's impact on the area's economy is vast.

Besides the numbers, tourism's benefits can be seen in Fredericksburg's quality of life—the town was once again recognized by *Southern Living* as the "Best Small Town in Texas" in 2018. That quality of life is bolstered by the amenities, restaurants and attractions that simply would not exist without our visitor dollars.

At the FCVB, we know that a happy community is also a benefit to our visitors. It is manifested in the friendliness of frontline workers and the passion of our people throughout the tourism industry. Visitors routinely comment on the hospitable nature of our town—in fact our latest research indicates that "Texas Hospitality" is one of the top draws for our guests.

While travel supports more than 15.7 million jobs across the United States, Fredericksburg's job market features over 1,100 jobs tied to tourism. These opportunities exist as a result of the town's visitors and residents alike.

As we move forward into the final year of the decade, let's not forget that travel matters and the positive impacts of that travel are felt throughout Fredericksburg and Gillespie County.

**Ernie Loeffler**

*President/CEO*

*Fredericksburg Convention and Visitor Bureau*

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to our  
artists & musicians.

Our thriving art scene, including live music, theater and fine art would not be what it is today without the ongoing support of our visitors. Countless venues, artists and musicians benefit from the influx of travelers.

# Live Music and Entertainment Scene Heats Up

The early German settlers to Fredericksburg brought a love of music with them to their new homeland. Of course, what type of music and how it is played has changed pretty dramatically in those 173 years.

Many years ago, the Fredericksburg Convention and Visitor Bureau began the laborious task of assembling a weekly schedule of live music and entertainment in Fredericksburg and Gillespie County to answer questions from visitors about what to do in the evenings. Our goal was also to promote the talents of our local musicians, vocalists and actors.

Our live music scene has grown tremendously and continues to grow and evolve. On a typical Saturday over 25 venues across Fredericksburg and Gillespie County will have live musical performances.

Luckenbach Texas has been a staple of the local music scene for decades, featuring picker circles, dances and concerts, established and up-and-coming Americana groups and open mic time for local musicians. Another long-time musical influence is Hill Top Café, where owner and Grammy nominee Johnny Nicholas plays and brings in amazing musicians to join him on stage at the restaurant on a regular basis. With the association of the Gatlin Brothers, Rockbox Theater has evolved to feature tribute shows and a growing number of artists touring through the area.

The recent acquisition of Fritztown Cinema and The Backyard Amphitheater by EVO Entertainment Group, is expected to bring a more active concert schedule at this venue as well. Numerous restaurants in the downtown area offer a variety of entertainment throughout the week. The Fredericksburg Theater Company (FTC) is beginning its 23rd season and for over 80 years the Fredericksburg Music Club has produced a season of great concerts bringing in musicians from around the world. And, of course, we cannot forget our great annual festivals and events which book musical groups that range from zydeco to polka to Cajun to jazz to traditional country-western.

Live music was and is a part of the fabric of Fredericksburg and Gillespie County.

Named one of "Most Arts Vibrant Small Communities" in the United States on SMU's National Center for Arts Research's list in July 2018.





to our  
chefs.

Thanks to our robust travel industry, local chefs have a reliable and steady audience for their culinary creativity—which enables the variety and caliber of cuisine to be available for everyone to enjoy.

# Marketing Efforts are Reaping Results

The Fredericksburg Convention and Visitor Bureau (FCVB) had a budget of \$2.8 million for FY18 and is funded entirely by lodging occupancy tax collected by the City of Fredericksburg and Gillespie County. The staff consists of 11 full-time and four part-time employees.

The bureau has an active purchased advertising campaign—both print and digital—which totaled about \$670,000 in FY18. Creative Noggin is the ad agency of record for the FCVB.

Our media relations program generated about \$3.1 million in media value (the cost of the media space if it had been purchased) in 2018. Nearly 200 journalists visited Fredericksburg during the year. Geiger & Associates assisted our in-house staff with our media outreach.

To market to the domestic leisure visitors, the FCVB advertised in publications like *Garden & Gun*, *Southern Living*, *Condé Nast Traveler*, *Bon Appétit*, *Western Art and Architecture* and *Texas Monthly*. Advertising campaigns also ran digitally utilizing Facebook and Google.

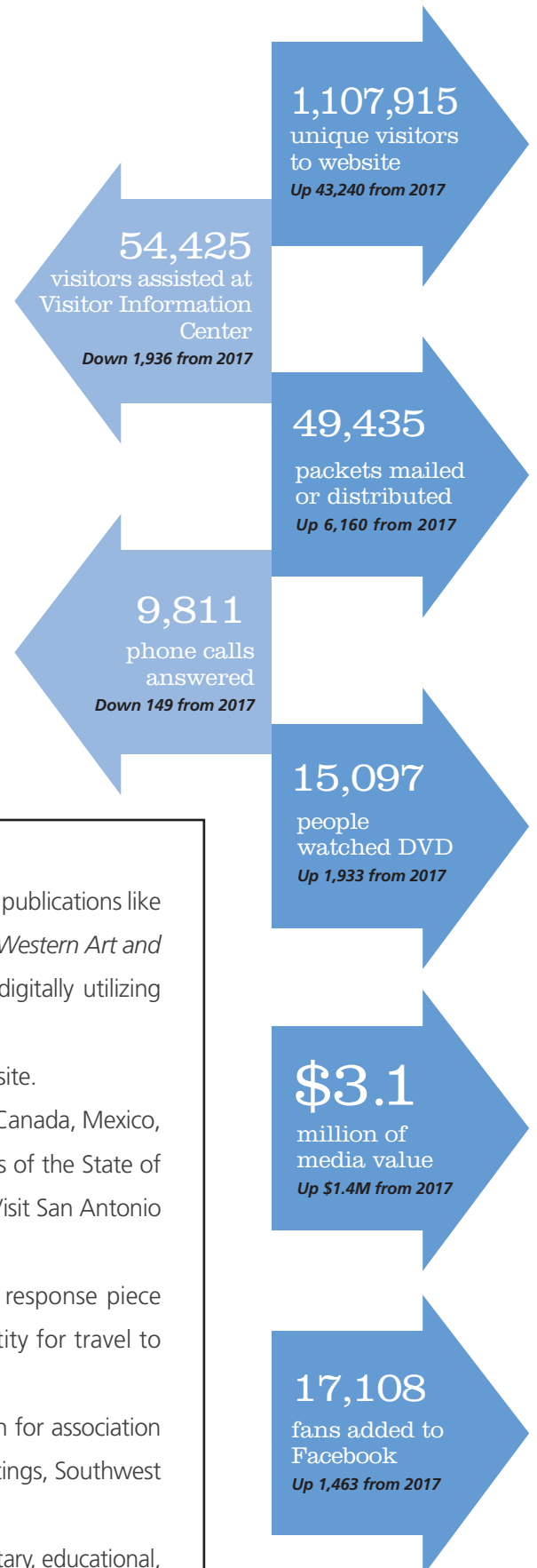
In 2018, over one million unique visitors came to the FCVB website.

To reach the international leisure market, FCVB staff traveled to Canada, Mexico, Great Britain, Germany and Australia—typically under the auspices of the State of Texas travel marketing efforts. The FCVB also worked closely with Visit San Antonio and Visit Austin.

Fredericksburg also had exposure in both the major printed response piece and the website of Brand USA, the public/private marketing entity for travel to the United States.

Staff of the FCVB also marketed Fredericksburg as a destination for association and corporate meetings. Trade shows attended include Smart Meetings, Southwest Showcase, Connect Texas and Destination Texas.

One staff person concentrated on the SMERF market—social, military, educational, religious and fraternal events. Destination weddings continued to grow in popularity in 2018 as new venues opened.



Source: Fredericksburg Convention and Visitor Bureau



A man and a woman are smiling and holding wine glasses in a cellar. The man is wearing a blue blazer and the woman is wearing a blue and orange top. They are standing behind a wooden table. In the background, there are many wooden barrels stacked on racks. The barrels have a logo that looks like 'BC' inside a shield. The lighting is warm and the atmosphere is cozy.

to our  
winemakers  
& brewers.

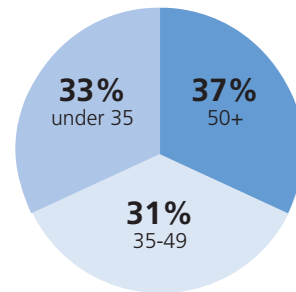
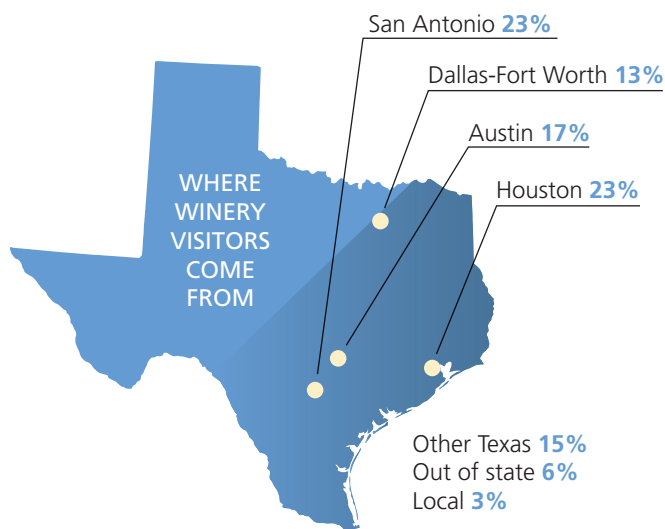
Without a doubt, travel matters to our winemakers and brewers as a means of ongoing support, but with 67% of their visitors spending the night and 80% of their visitors also visiting downtown, Texas Wine Country visitors impact much more than the wine industry.



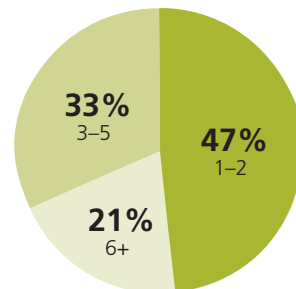
# Winery Visitor Research Provides Insightful Data

The Fredericksburg Convention and Visitor Bureau (FCVB) hired Core Research based in San Antonio to conduct research to provide “a snapshot” of the visitors to wineries on Wine Road 290. Six professional research personnel conducted in-person interviews with 326 winery visitors at three winery locations. While there were no major surprises, the research confirmed some of the trends the FCVB has been observing over the last few years.

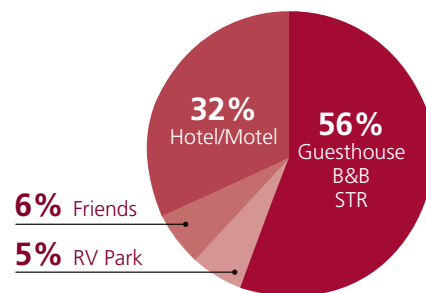
It is interesting to note, based on overall visitor research done in 2012/2013, the growth of the winery segment could be having an effect on lowering the age profiles of our visitors.



AGE OF VISITOR



NUMBER IN PARTY



LODGING PREFERENCES  
67% are staying overnight

Percentages may not equal 100% due to rounding off of numbers.

**\$1,228**

is the average purchase of overnight visitors.

**80%**

plan to visit downtown Fredericksburg

**75%**

rated their Texas Wine Country experience as an “A”



A photograph of a soldier in camouflage gear, including a helmet and a jacket with "U.S." insignia, shouting with his mouth wide open and his hand to his mouth. He is holding a rifle. In the background, another soldier is visible, and a large military vehicle, possibly a tank, is partially obscured. The scene is set in a dry, rocky environment with some sparse vegetation.

to our  
historians &  
preservationists.

Education and exposure to our past is one of the best ways to protect our future. The impact of our local historical attractions is immeasurable thanks to the surge of visitors eager to attend, watch and learn.



## Attraction Attendance for 2018



LBJ State Park  
and Historic Site

**153,336**

UP 6,705 FROM 2017



Fredericksburg  
Theater Company

**13,307**



Pioneer  
Museum

**36,809**

UP 2,355 FROM 2017

Texas Rangers  
Heritage Center

**10,496**

DOWN 2,584 FROM 2017

Enchanted  
Rock

**271,747**

DOWN 10,034 FROM 2017

FCVB Visitor  
Information Center

**54,425**

DOWN 1,936 FROM 2017

National Museum  
of the Pacific War

**154,000**

DOWN 6,000 FROM 2017

LBJ National  
Historical Park

**121,487**

DOWN 24,631 FROM 2017

Old Tunnel  
State Park

**50,112**

DOWN 31,076 FROM 2017





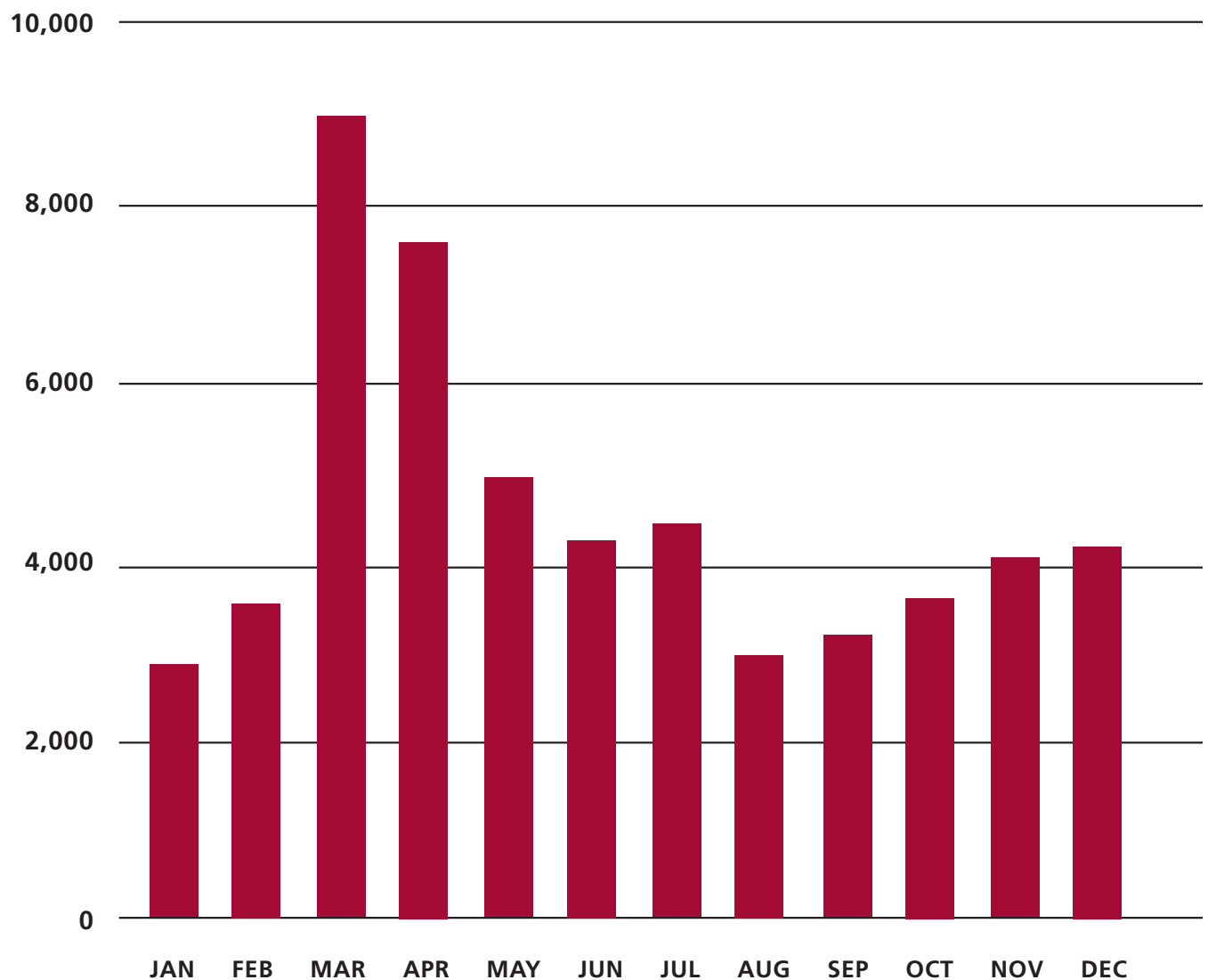
to our  
outdoor enthusiasts.

Visitation has not only helped stimulate an appreciation for our local, state and national parks, it provides the support for numerous fundraising events like 5Ks and businesses like bike rentals.



## Fredericksburg Visitor Information Center Visitation for 2018

The Fredericksburg Visitor Information Center (VIC) at 302 E. Austin Street welcomed 54,425 visitors in 2018. The staff of three full-time employees and four part-time weekend travel counselors answer questions, provide brochures and maps and encourage return trips to Fredericksburg by our visitors. That staff also answers thousands of additional visitor inquiries by phone (9,811 in 2018), email and through online requests for a visitor information packet (49,435 distributed in 2018). The VIC's 10-minute overview video of Fredericksburg was also seen by 15,097 people in 2018. Open 361 days of the year, the Visitor Information Center is another way that the Fredericksburg Convention and Visitor Bureau works to ensure that our guests have a "premier travel experience" in our destination.



**54,425 VISITORS IN 2018**

**DOWN 1,936 FROM 2017**



A photograph of a vintage clothing boutique. The interior features a rustic stone wall and several large, ornate metal birdcages hanging from the ceiling. In the center, a man and a woman are looking at a hat. The woman is wearing a bright pink dress and a wide-brimmed hat, while the man is wearing a blue and white checkered shirt. They are surrounded by various clothing items, including boots, hats, and dresses, displayed on racks and shelves. A chalkboard sign in the foreground reads: "Oh, Sunlight! The most precious to be Gold found on Earth. -ROMAN POET. However... Haberdashery has the most precious clothing on earth." The floor is made of dark wood.

# to our retailers.

Tourism has been critical to store owners since the influx of specialty retail on Main Street in the late 1980s. The success of today's retail shops feeds directly back into the community by supporting hundreds of frontline employees.



# Management of Tourism is a World-Wide Trend

Around the world, cities and towns are developing ways to not only promote, but also manage tourism.

In past decades, the text book example of the effects of “over-tourism” was spring break at popular coastal destinations. More recent examples are towns where mega cruise ships disembark thousands of visitors at one time—sometimes overwhelming the attractions, restaurants, services and residents of the destination.

With increasing world-wide travel volumes, traditional vacation destinations in Europe such as Venice, Rome, Paris, Barcelona and Amsterdam are seeing ever larger numbers of daily visitors. The expanding number of short term rentals is causing issues in many cities and towns around the world. Concerns range from deterioration of the visitor experience to protection of the natural or man-made resources to the effects on the local population.

Fredericksburg and Gillespie County, likewise, have stress points.

Enchanted Rock State Natural Area is reaching capacity many weekends of the year. April brings long lines of traffic to Willow City Loop. Parking in downtown Fredericksburg can be problematic—particularly on festival weekends. Traffic on Highway 290 east of town continues to grow in volume. Concerns about short term rentals in Fredericksburg are similar to those in Austin, San Francisco and Manhattan.

In response, the Fredericksburg Convention and Visitor Bureau (FCVB) lobbied (along with many others) for a turn lane and the lowering of the speed limit to 60 miles per hour on U.S. Highway 290 east of Fredericksburg. The FCVB has not promoted Willow City Loop in any of our literature or on the destination website for the past 20 years. The exposure of Enchanted Rock in the overall marketing of Fredericksburg has been reduced. Texas Parks and Wildlife has also implemented a new online reservation system to better manage visitation at all state parks. The bureau has developed a midweek marketing campaign designed to move some leisure business from the crowded weekends to midweek. And the development of a full service conference center/hotel project is designed to increase small midweek meetings and conferences. The City of Fredericksburg has put into place an ordinance which requires short term rentals to have a permit to operate in the city.

Management of tourism is on the radar of the Fredericksburg Convention and Visitor Bureau as well as in destinations across the globe.

Chosen as one  
of “10 Great  
Small Towns for  
Big Vacations”  
by *Travel Channel*  
in January 2018.





to our  
innkeepers.

Not only does the growth of our local tourism industry rely on the overnight visitor, so do a myriad of friends and neighbors. Lodging owners. Cleaning crews. Landscapers. Electricians. Plumbers. Handymen. The list is endless.



# Spreading Hospitality Business Across the Week

The Fredericksburg Convention and Visitor Bureau (FCVB) is very cognizant that as a destination if Saturday visitation continues to grow rapidly, the visitor experience could begin to deteriorate and the quality of life for local residents could be more negatively impacted.

Luckily, weekend visitor business is literally spread throughout the county mitigating some issues. In addition to being downtown, visitors are at Enchanted Rock State Natural Area, the Wildseed Farms, Fredericksburg Trade Days, the LBJ State and National Historical Parks, Altstadt Brewery, wineries and other locations. To help balance weekend and midweek visitation, we have several initiatives underway.

Specific marketing efforts, including a micro website, have been launched promoting the benefits of midweek visitation such as best value on accommodations, smaller crowds and shorter wait times ([midweek.visitfredericksburgtx.com](http://midweek.visitfredericksburgtx.com)). Included in the target audience for midweek visitation are international travelers who usually spend about two weeks traveling across the state.

Staff at the FCVB work specifically in the markets of Canada, Mexico, Germany, Great Britain and Australia in conjunction with the Office of the Governor, Economic Development and Tourism, as well as with other destination marketing organizations like Austin and San Antonio.

Small association and corporate meetings are also very valuable since most of them convene midweek. Several local hotels and guesthouse complexes have nice midweek business utilizing their meeting space as a marketing tool.

With some 17,500 square feet of meeting space when completed, The Seven Hills Resort and Conference Center will enable additional midweek business, positively benefiting businesses across our town and county. The focus will be on groups of 200 to 300 attendees, so not large conventions.

As business more evenly distributes throughout the week, employers will have the opportunity to offer more full-time employment to their staff, positively impacting our workforce.

The good news—the strategic initiatives are apparently starting to work. Several local lodging partners have reported increases in midweek business during 2018.

Fortunately, millions of Texans view Fredericksburg as a fantastic weekend destination. Unfortunately, it is going to take some time, effort and marketing dollars to help them realize Fredericksburg and Gillespie County are absolutely great places to visit midweek as well.

Named  
1 of 11  
“US Cities  
That Feel Like  
International  
Destinations”  
by Expedia.com  
in April 2018.



to our  
residents.



As locals, we get to enjoy all of the wonderful offerings in Fredericksburg and Gillespie County, while also reminding ourselves that without the visitors, many of these businesses would not be in existence today.

# Strategic Advantages of Fredericksburg as a Travel Destination

The vision of the Fredericksburg Convention and Visitor Bureau is that Fredericksburg will be “the premier travel experience in Texas.” Our mission is to identify, inspire and attract high value visitors through knowledge, professionalism and passion.

Fredericksburg has numerous strategic advantages that will help us bring this vision to life.

First of all, our destination has a diverse product mix and authentic experiences including, but not limited to, culinary, Texas wine and craft beer, history, German culture, shopping, the arts and the natural beauty of the Texas Hill Country.

The small town charm and walkability of downtown creates an almost European vibe—unusual for rural Texas no doubt. And we have been able to maintain a “sense of place” in the national historic district through the formula business ordinance. The safety of Fredericksburg is also a positive for travelers.

The diversity of our lodging product with 23 hotels/motels and over 1,200 short term rentals is appealing to younger travelers.

Our central location in Texas within driving distance of four of the fastest growing metro areas of the country—Houston, Dallas/Fort Worth, Austin and San Antonio—creates a large and growing visitor market for Fredericksburg. And as we expand our marketing in the United States, as well as internationally, our proximity to the major airports of both San Antonio and Austin is also a strategic advantage.

Fredericksburg  
tapped as “Best  
Small Town”  
in Texas by  
*Southern Living*  
magazine in  
March 2018.

## Gillespie County Economic Impact

**TOTAL DIRECT  
TRAVEL SPENDING:**  
2016 \$96.8 million  
2017 \$105.6 million

 **9.1%**  
INCREASE

**TOTAL LOCAL  
TAX RECEIPTS:**  
2016 \$2.7 million  
2017 \$3.3 million

 **19.3%**  
INCREASE

**TOTAL DIRECT  
EARNINGS:**  
2016 \$28.8 million  
2017 \$30.4 million

 **5.6%**  
INCREASE

**TOTAL STATE  
TAX RECEIPTS:**  
2016 \$5.0 million  
2017 \$5.7 million

 **13.9%**  
INCREASE



# Fredericksburg<sup>®</sup>

THE TEXAS HILL COUNTRY

*Texas Heart. German Soul.*

## Visitor Information Center

302 E. Austin St., Fredericksburg, Texas 78624

1-888-997-3600 | (830) 997-6523 | [visitorinfo@fbgtx.org](mailto:visitorinfo@fbgtx.org)

[VisitFredericksburgTX.com](http://VisitFredericksburgTX.com)



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