FINAL

Urban Waterfront & Ecotourism Study

Strategy and Implementation Program

Prepared for:

City of Imperial Beach

Prepared by:

Keyser Marston Associates, Inc.
Urban Counsel
RECON
EplerWood International

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Urban Waterfront & Ecotourism Study

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EXECUTIVE SUMMARY

INTRODUCTION

The Urban Waterfront & Ecotourism Study is the culmination of a joint effort between the California Coastal Conservancy (CCC) and the City of Imperial Beach (City). The CCC provided the major funding for the study. The objective of the study is to develop an ecotourism program that optimizes benefits from natural amenities while respecting the character of Imperial Beach. Phrased another way, the goal is to stimulate tourism resulting in economic benefit by capitalizing on the natural amenities that surround the City.

The study consists of two reports representing distinct phases of work by the consultant team, as follows:

(1) *Working Paper #1 – Assessment of Opportunities and Constraints:* Evaluated existing "baseline" conditions in the City pertaining to real estate market conditions, planning and regulatory guidelines, environmental conditions, and the inventory of surrounding ecological resources (September 2004). This paper also included a detailed discussion of ecotourism, sustainable development principles, and the relation between these concepts and the resources in Imperial Beach.

(2) Strategy and Implementation Program: Presents the consultant team's strategic recommendations and marketing and implementation program for the ecotourism plan.

Community input has been a high priority for the City and the consultant team throughout the preparation of the study. At the outset, the team met with more than 30 representatives of government, the private sector, and special interest groups and individuals to gain perspective on the key issues affecting the City. Two community meetings were also held to present preliminary findings and to obtain feedback from local residents and stakeholders.

OVERALL STRATEGY

A series of ecotourist and recreation market niches were evaluated as part of this study, including Classic Ecotourist, Edu-Traveler, Birder, Cyclist, Surfer, and Family Overnight (defined in exhibits C-1 and D-1). Each niche was tested for compatibility with Imperial Beach's range of amenities. The analysis revealed that Imperial Beach could readily attract the Birder market niche, with little investment on the part of the City. Birders are defined as individuals who enjoy birdwatching when traveling and "snowbirds," individuals who enjoy birdwatching when at their winter home.

The most viable course of action to achieve near-term economic benefit is for Imperial Beach to position itself to capture a share of the birding market, as this segment can be readily attracted with minimal City investment. Branding and other marketing efforts should be pursued to firmly

establish the City's reputation as a birding destination, including the pursuit of development of a "birding enclave" at the Bayfront.

Concurrently, the City should embark on an implementation program to foster public and private investment that will bring about attraction of the Family Overnight market in the longer-term. In the intervening period, lodging and visitor amenities should be introduced that will attract other niche travelers, such as the Edu-traveler, while continuing to enhance the amenities attractive to Birders.

BRANDING AND MARKETING

The City should seek to build a strong reputation as a destination for the Birder market through branding and marketing tactics. Imperial Beach should either revise the current positioning statement and logo it uses to market itself to include references that attract the birding and nature marketplace, or develop a separate positioning statement just for the birding and nature market. An example of a new positioning statement might be as follows:

> *"Imperial Beach is a birder friendly community adjacent to world-class bay, estuary, and ocean birding hotspots in one of the most well preserved coastal ecosystems in the West."*

The positioning statement must evolve from discussion among community members and vested stakeholders. Appropriate infrastructure -- suitable lodging and eating and drinking establishments -- must be in place before a marketing campaign can begin. It would be detrimental to the long-term success of the plan if Birders should be attracted to the area and not find amenities in place when they arrive.

A marketing campaign should target "snowbird" markets with birders that travel during the fall, winter, and spring. These markets extend from Northern California to the Upper Midwest and would provide the local lodging industry with an added source of business during the off-season.

IMPLEMENTATION MECHANISM

The ecotourism plan will not succeed without careful and watchful stewardship. It is recommended that the City Council form an Ecotourism Committee that will assume responsibility for refining and implementing the plan. The Ecotourism Committee should be comprised of members of the hospitality industry, the business community, Federal and State land management agencies, local environmentalists (especially the San Diego Audubon Society), and the City.

The Committee's key priorities should include:

- Review of ecotourism-related business opportunities
- Enhancement of necessary visitor-serving infrastructure and beautification

- Refinement of marketing approaches
- Coordination with Federal agencies
- Re-evaluation of the future potential of Pond 20 for the ecotourism plan

DEVELOPMENT OPPORTUNITIES

Three geographic focus areas in Imperial Beach were evaluated as part of this study for their potential to support real estate development that furthers the ecotourism plan, either directly by accommodating projects specific to the Birder market or indirectly by accommodating visitor-serving amenities that appeal not only to Birders but to other markets as well.

The key development opportunities within the respective focus areas are as follows:

- Bayfront Focus Area (north of Calla Avenue and east of Highway 75): Major opportunities provided within this focus area derive principally from its adjacency to San Diego Bay, the San Diego Bay National Wildlife Refuge (NWR), and Pond 20. Of particular interest to the consultant team is the City's Public Works Yard site, which is a City-owned, prime bayfront site, and the adjacent privately owned property. These properties are well suited to the development of a "birding enclave," a lodging facility directed mainly toward birders as an extended-stay residential hotel with clubhouse; and/or a cultural museum related to the Kumeyaay Indian Tribe.

- Palm/Seacoast Focus Area (Seacoast Drive from Imperial Beach Boulevard to Palm Avenue, and Palm Avenue from the beachfront to 3rd Street): This area evokes a village feel and would be appropriate for introduction of new lodging facilities, including boutique hotels and bed and breakfast inns, and local entrepreneurial eating and drinking facilities. The primary development objective is the redevelopment of the beachfront Seacoast Inn, the ownership of which is currently planning to demolish the existing structure and rebuild a new larger facility. The rebuilt Seacoast Inn would satisfy the demands of Birders in the near-term.

- Palm Gateway Focus Area (one block north and one block south of Palm Avenue, between the City limits and Rainbow Drive): This area, which represents a major gateway into the City, exhibits signs of blight, including older, obsolete buildings, underutilized parcels, and non-complementary commercial uses. The Palm Gateway area is the best location to accommodate national brand lodging facilities and chain restaurants that appeal to the Family Overnight market. The introduction of for-sale condominiums would also be a positive step toward eliminating blight and stimulating the demand for commercial uses.

I. INTRODUCTION

A. Background and Purpose

This report has been prepared at the request of the City of Imperial Beach. It contains the strategic recommendations and marketing and implementation program for the Urban Waterfront & Ecotourism Study, the goal of which is to stimulate tourism in the City by capitalizing on the ecological assets that surround it.

In September 2004, as a first step in the process, the consultant team prepared *Working Paper #1 – Assessment of Opportunities and Constraints*. The purpose of that paper was to evaluate existing "baseline" conditions in the City pertaining to real estate market conditions, planning and regulatory guidelines, environmental conditions, and the inventory of surrounding ecological resources. That paper, along with its supporting technical appendix, is the companion and precursor to this Strategy and Implementation Program.

B. Project Scope and Methodology

The Urban Waterfront & Ecotourism Study is being spearheaded by the City of Imperial Beach with substantial funding support from the California Coastal Conservancy. The focus of the study is ecotourism, a little-known but rapidly emerging niche segment of the global travel industry. The International Ecotourism Society (TIES) defines ecotourism as "responsible travel to natural areas that conserves the environment and sustains the well-being of local people."

With regard to natural areas in and adjacent to Imperial Beach, the City is abutted by two National Wildlife Refuges offering habitat to a wide variety of bird species, a network of hiking and equestrian trails, and both ocean beach and bay frontage. These amenities have the potential to be further enhanced and promoted to ecotourists. Concurrently, the City could encourage development of new and expanded visitor-serving infrastructure and services.

A team of consultants with expertise in real estate economics, urban planning, environmental sensitivity, and development of sustainable ecotourism destinations was assembled to lead the process and prepare a strategy and implementation program. This report presents the completed *Strategy and Implementation Program* and the supporting market research findings.

In order to prepare the *Strategy and Implementation Program*, the consultant team performed the following tasks:

- Met with City staff and interviewed key stakeholders.
- Identified ecotourism and outdoor recreation market niches that might be compatible with the menu of amenities that Imperial Beach has to offer.

- Researched the travel preferences of each niche with respect to lodging, eating and drinking, cultural and entertainment amenities, and recreation amenities.
- Identified the conditions precedent to attract each market niche, if possible, and evaluated the resulting economic and physical implications.
- Evaluated the potential to develop visitor-serving amenities in the City's waterfront areas as well as along the Palm Avenue gateway into the City.
- Researched effective tactics for marketing to *Birder*s and investigated the characteristics of lodging facilities targeted to *Birder*s.

An important part of this assignment involved interaction with the community. The consultant team facilitated two community meetings to present findings and solicit feedback. The first meeting was held on October 7, 2004 to present the findings of the Opportunities and Constraints analysis and the second meeting was held on February 8, 2005 to present the preliminary framework for the strategy and implementation program. Attendees at both meetings offered important guidance to the consulting team and their feedback is reflected in this document.

C. Overview of Stakeholder Groups

At the initiation of this ecotourism study, interviews were held with more than 30 representatives of government, the private sector, and special interest groups and individuals. The intent of the interviews and subsequent document review was to gather ideas for, and assess the roles of, those interested in an ecotourism plan for Imperial Beach.

One consequence of the initial interviews was substantiation that a diverse range of interests converge on the topic of ecotourism in Imperial Beach. While there are multiple instances where groups have broad and overlapping concerns, most often stakeholder groups focused within one of three areas:

1. Environmental Values

"Environmental values" is defined as a concern with protection, improvement, and proper stewardship of the natural environment, and it is an interest strongly represented in both the public and private sectors. The City is surrounded by ecological resource areas owned and managed by multiple Federal, State, and local agencies.

Within this category, representatives of the following agencies and organizations were interviewed:

- U.S Fish and Wildlife Service (USFWS) (San Diego National Wildlife Refuge, Tijuana River National Estuarine Research Reserve)
- California Department of Parks and Recreation (Border Field State Park)
- County of San Diego (Tijuana River Valley Regional Park, Otay Valley Regional Park)

- Tidelands Advisory Committee, City of Imperial Beach
- California Coastal Conservancy
- Environmental Health Coalition
- Friends of San Diego Wildlife
- Wild Coast

2. Economic Interests

The economic health of a community impacts many aspects of life – from who can afford a home to how well streets are maintained. Not unexpectedly, economic considerations cut a wide swath in Imperial Beach. Since the greatest source of tax revenue for municipalities is typically sales tax, the limited revenue base in Imperial Beach means that there is less money in the City's General Fund to provide municipal services or undertake civic improvement projects. The consequences to an ecotourism plan are that the City may not have the funds necessary to provide key improvements such as directional and interpretive signage, pedestrian and bicycle ways, or other civic beautification projects, thus requiring identification of partnerships and other funding sources.

Within this category, the following organizations were contacted:

- San Diego Unified Port District (Port)
- Imperial Beach Chamber of Commerce/Business Improvement District (BID)
- Local business and property owners
- Palm Avenue Liaison Group

3. Quality-of-Life Factors

Everyone with an interest in Imperial Beach, whether they are public agencies or private citizens, is concerned about quality of life elements. These elements include the way the community looks, i.e., from entrance monuments to street trees to the design of structures; the quality of the air and water; the ability to work and shop locally; congestion on local streets; walkability; housing adequacy and affordability; habitat preservation; noise levels; shoreline protection; recreational resources adequacy; and the health of the economy. While all groups previously mentioned in this section are concerned with quality of life elements, some other entities and groups which influence the quality of life fabric in the City that were contacted include:

- Local residents
- I.B. Beautiful
- Camp Surf
- Design Review Board, City of Imperial Beach
- San Diego Association of Governments (Bayshore Bikeway)

D. Report Organization

This report is organized as follows:

- Section II summarizes the overall ecotourism strategy, inclusive of key objectives and policy recommendations.

- Section III outlines the implementation process needed to enact the ecotourism strategy and describes potential real estate development opportunities and marketing programs.

- The Appendix contains analyses of each market niche and recommendations for integration of trail systems around the City.

II. OVERALL STRATEGY

A. Study Objectives

Based on initial discussions with the City of Imperial Beach, the ecotourism strategy was identified as having five preliminary objectives. They were:

- To stimulate the local business sector by capitalizing on the natural recreational and educational resources available to residents and visitors
- To provide revenue for the City
- To enhance the City's image
- To revitalize waterfront commercial areas with new uses
- To preserve the integrity of the natural resources as well as the City's small-town ambience

Following analysis of baseline conditions and meetings with stakeholders, including elected and appointed officials, business and environmental interests, community members, public agency personnel, and the general public, it became apparent that additional objectives were:

- To permit initiation of the strategy without requiring major public investment
- To provide specific steps to achieve the ecotourism objective
- To create a reasonable and realistic mechanism for implementing the strategy
- To respect the diverse interests and concerns of Imperial Beach residents

B. Public Policy Commitments

Given the study objectives and the analysis that was undertaken as part of this study, it is recommended that the City of Imperial Beach begin by adopting a series of specific commitments as a statement of City policy, as listed below.

City Policy Commitments
(1) Focus ecotourist marketing and investment on securing visitors who stay the longest and spend the most. **(2)** Take an incremental approach to implementation so as to minimize disruption to the community. **(3)** Begin with limited reliance on public funding, anticipate increased funding as objectives are achieved, and reinvest the economic gains resulting from ecotourism back into the ecotourism plan. **(4)** Continuously monitor and support programming by Federal, State, regional, and local agencies to enhance environmental resources in and around Imperial Beach, especially those that attract visitors. **(5)** Stimulate the awareness of local business interests in the value of the ecotourist and associated tourist market.

C. Approach

The City of Imperial Beach must have both near-term and long-term plans in order to achieve economic benefit from an ecotourism strategy. In order to achieve near-term economic benefit, the City of Imperial Beach should position itself to capture a share of the Birder market. This segment of the broader ecotourism market can be attracted with minimal public investment.

Branding and other marketing efforts must be conducted to establish and enhance the City's reputation as a birding destination. To achieve long-term economic benefit, the City should position itself to capture a share of the Family Overnight market. To facilitate moving from the Birder to the Family Overnight market, the City must actively promote public and private investment in lodging and visitor amenities.

D. Implementing Actions

1. Capitalize on Development Opportunities

Three physical areas (focus areas) became the focus of analysis. They are mapped in Section III (Exhibit III-1). The three focus areas were evaluated for their potential to support real estate

development that furthers the ecotourism plan, either directly or indirectly. The key observations are presented below and a more detailed discussion follows in Section III.

Bayfront Focus Area

- Capitalize on the presence of public ownership (Public Works Yard) within the Bayfront study area as a development opportunity in attracting the Birder market. Also encourage involvement of the owner adjacent to the Public Works Yard who appears willing to redevelop his site.

- Capitalize on the rich birding opportunities and planned investment by the U.S. Fish and Wildlife Service on adjacent San Diego Bay.

- Create a Birder enclave (e.g., an extended-stay residential hotel marketed to Birders, with a possible club house) on the Bayfront.

- Consider a low-key museum/cultural center as part of the Bayfront development.

- Amend the Pond 20 MOU to allow for the City's use of the San Diego Unified Port District's (Port's) parcel within Imperial Beach.

- Test community acceptance of allowing bed and breakfast inns (B&Bs) within neighborhoods adjacent to the Bayfront.

Palm/Seacoast Focus Area

- Capitalize on and enhance existing village atmosphere.

- Encourage local eating and drinking establishments, as opposed to chains.

- Encourage celebration of Imperial Beach's beach identity.

- Provide quality lodging, e.g., small hotels, boutique hotels, B&Bs, and Seacoast Inn.

- Provide mixed-use to enliven area (e.g., residential or hotel over retail/restaurant).

Palm Gateway Focus Area

- Create a desirable entryway into Imperial Beach.

- Improve signage and monumentation.

- Encourage hotels/motels that are mid-scale, moderate price, and offer extended-stay facilities that are suitable to families.

- Encourage local- and visitor-serving retail and chain restaurants.

- Encourage mixed-use in-fill, including development of condominiums within maximum allowed density.

2. <u>Create Implementation Mechanisms</u>

In order to move forward, the ecotourism plan will need careful stewardship. The City Council should consider the following recommendation to ensure that the plan is enacted.

a. Establish a City Council Ecotourism Committee charged with refining and implementing the ecotourism program.

    - Representation on the committee should include members of hospitality industry, environmental community, and business interests.

    - Objectives are to plan and oversee the ecotourism program, including:

        (1) Recommending where public investments should be made;
        (2) Identifying and developing strategic alliances; and
        (3) Refining marketing program and/or working with marketing specialist.

b. Make the Redevelopment Agency a partner in the process, including designating the Agency a role for:

    - Undertaking site assembly, particularly along the Bayfront with the Public Works Yard, Port/Airport Authority parcels, and interested private property owners;

    - Undertaking beautification projects; and

    - Creating a signage and way finding program.

III. IMPLEMENTATION

A. Identification of Development Opportunities

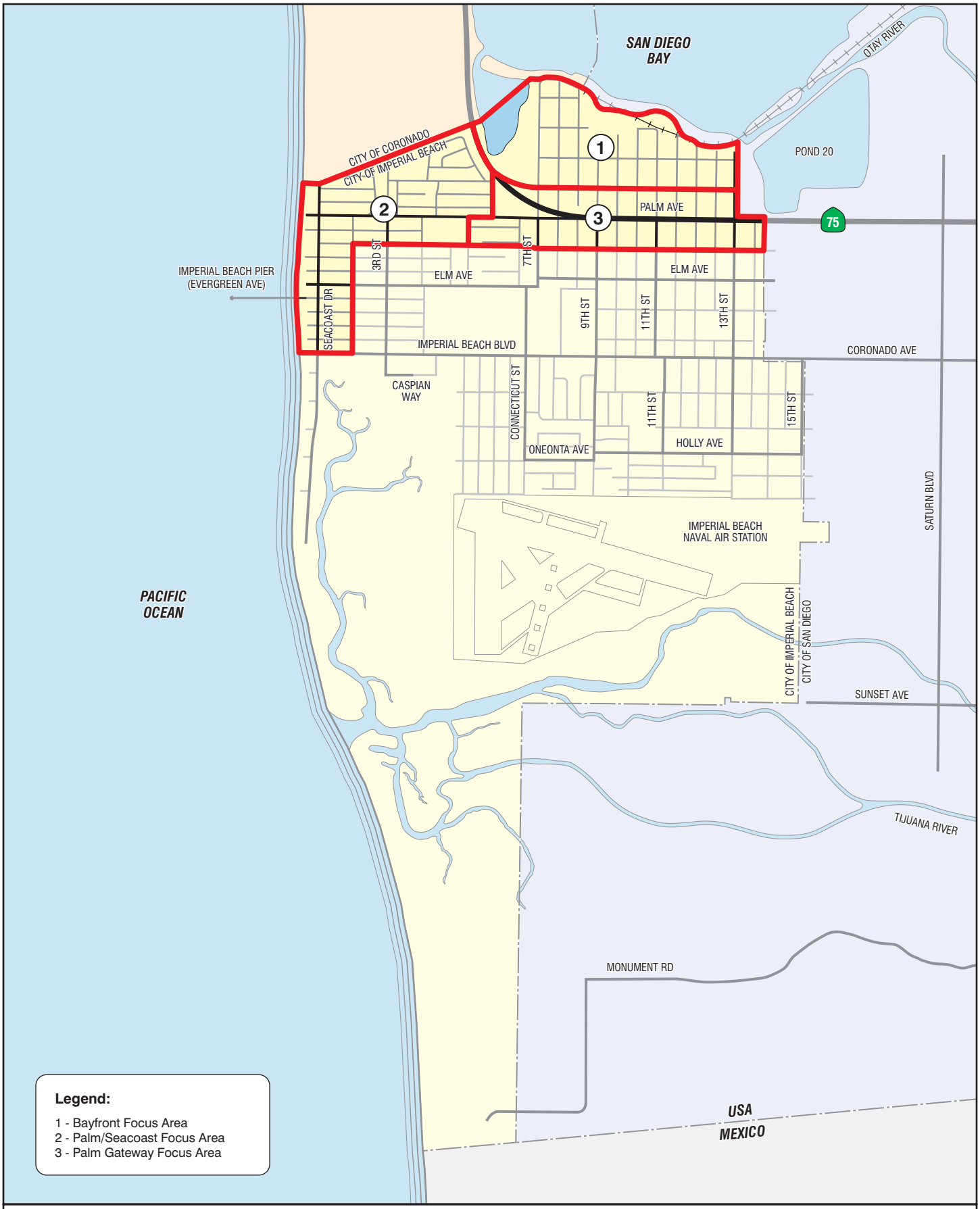
The consultant team identified various real estate development opportunities within the City that would not only support the implementation of an ecotourist marketing program but also would further the City's redevelopment objectives. The identification of development opportunities was based on the study of real estate market conditions included in *Working Paper #1 - Opportunities and Constraints Analysis,* as well as research into the patrons of selected ecotourist market niches. It should be noted that the development concepts identified within each focus area are also consistent with the goals stated in the City's Economic Development Plan, prepared by Rosenow Spevacek Group, Inc. in 2004 (Exhibit III-2).

The development opportunities are concentrated in three distinct focus areas within the City, as shown in Exhibit III-1. The three focus areas were selected based on a variety of factors, such as their proximity to natural resources, including either beach frontage or bay frontage; the availability of land for development; and their ability to support introduction of visitor-serving amenities. The focus areas have been broadly defined so that they are contiguous with one another.

The potential developments for each focus area are discussed below, along with factors influencing development in the respective focus areas. While only a portion of each focus area may be the subject of specific development recommendations, virtually any development activity occurring within the boundary of each area may contribute to – or detract from – the success of an ecotourism program.

B. Bayfront Focus Area (including Pond 20)

The Bayfront Focus Area includes that portion of the City north of Calla Avenue and east of Highway 75. Major opportunities provided within this focus area derive principally from its adjacency to San Diego Bay, the San Diego Bay NWR, its proximity to Pond 20, and the municipal ownership of the Imperial Beach Public Works Yard, which is north of Cherry Avenue between 10th and 11th Streets. Of particular interest to the consultant team is the City's Public Works Yard site, which is a City-owned, prime bayfront site, and the adjacent privately owned property. Individually or combined, these properties represent the most viable development site(s) addressed in this study.



North
No Scale - 03.30.05

Exhibit III-1
Focus Areas
Urban Waterfront & Ecotourism Study

EXHIBIT III-2

GOALS AND STRATEGIES OF THE CITY'S ECONOMIC DEVELOPMENT PLAN
URBAN WATERFRONT/ECOTOURISM STUDY
CITY OF IMPERIAL BEACH

Goals and Strategies of the 2004 Economic Development Plan Prepared for the Imperial Beach Redevelopment Agency by Rosenow Spevacek Group, Inc.			
Economic Development Goals	**Strategy A**	**Strategy B**	**Strategy C**
1. Expand Retail Opportunities and Sales Tax Revenue	Develop marketing program highlighting the City and its commercial, retail, and tourist opportunities	Facilitate redevelopment of the retail properties located at Palm Avenue and 9th Street	N/A
2. Retain/Expand Local Businesses	Foster mixed-use redevelopment of the Old Palm Avenue Corridor	Develop plan to improve appearance/use of properties along Palm Avenue Corridor and at 13th Street and Imperial Beach Boulevard	Establish a formal business retention program
3. Increase Visitor Serving Uses and Expand Transient Occupancy Tax (TOT) Base	Develop a year-round special events program	Promote recreation, hotel, and resort-oriented uses in the Seacoast Drive area	Encourage reuse of the Port District Parking Lot on Seacoast Drive
4. Plan for the Long Term Use of the Bayfront Area	Develop a Bayfront Master Plan to determine long-term use of the properties on the City's north side	Begin a process to plan the long term use of Pond 20	N/A

Goals and Strategies of the 2004 Economic Development Plan Prepared for the Imperial Beach Redevelopment Agency by Rosenow Spevacek Group, Inc.			
Economic Development Goals	**Strategy A**	**Strategy B**	**Strategy C**
5. Develop/Implement a Housing Improvement Program	Purchase or assist in the purchase of a multi-family housing complex that needs substantial rehabilitation	Explore the costs/benefits of establishing a single-family dwelling rehabilitation program	Fund the Paint I.B. Program
6. Assess Future Program and Projects	Continued oversight by the Redevelopment Agency to assess opportunities for implementation on an annual basis	N/A	N/A
Source: Rosenow Spevacek Group, Inc., City of Imperial Beach			

1. *Key Issues*

- *Unique Setting*: Though this focus area is predominately residential, the City's Public Works Yard is situated along the bay shoreline. The site offers unobstructed views of the bay and downtown San Diego.

- *Birding Opportunities:* Birds in the southern portion of the San Diego Bay NWR adjacent to the City's bay shoreline are abundant in number and diverse in species. The Public Works site and the adjacent property offer Birders close proximity and excellent viewing opportunities. The path of the Bayshore Bikeway runs adjacent to the site and provides an important recreational amenity.

- *Potential Linkages*: The planned extension of the Bayshore Bikeway from Imperial Beach to Saturn Boulevard in San Diego, near the municipal boundary between Chula Vista and San Diego, presents the opportunity to establish physical linkages with key projects planned in Chula Vista. These projects include the Salt Works project and the master-planned development of the Chula Vista Bayfront. The Salt Works project involves acquisition of a 17-acre site on which the Western Salt Works Building and operations yard is situated. The site will be conveyed to the USFWS, which will convert the Western Salt Building into an interpretive center for the NWR. The center will highlight the history of salt production in South Bay, as well as the natural habitat of the NWR. In addition, the City of Chula Vista, the Port, and a major private landowner are collaborating on a master plan for development of 480 acres of land along the Chula Vista Bayfront. As currently envisioned, the development will include a marina, residential, retail/entertainment, employment, lodging, and cultural land uses developed in a higher-density format. The Bayshore Bikeway provides a physical linkage between the Bayfront Focus Area, and development of ecotourist facilities along the City's Bayfront provides an opportunity to network with these new projects to the east.

- *Compatibility with Nearby Residential*: Redevelopment of the City's Public Works site and the adjacent commercial property could pose some compatibility issues with regard to the surrounding residential uses. Site ingress and egress is facilitated by residential surface streets. Development of land uses of greater intensity than the existing uses could increase traffic in the area and draw opposition from local residents. Despite the site's excellent views, the immediate environs, dominated by a public school and single-family homes, are not ideally suited to development of lodging uses.

- *Potential for Assembly*: There are few remaining development sites within the City and acquisition of privately owned property is expensive in today's real estate market. The fact that the City is the owner of a 1.6-acre parcel on the Bayfront provides an opportunity for the City to partner with the owner of the adjacent office property on a development plan. In addition, either the Port or the San Diego County Regional Airport Authority (SDCRAA) owns a number of small, irregularly-shaped parcels in the area between the Public Works Yard and Pond 20. The City should identify the correct owner of these parcels and consider trying to acquire them,

perhaps as part of a renegotiated Pond 20 MOU. Combined, these parcels could provide space for a recreation area, linear parkway, or other open-space use.

- *Access and Parking*: Vehicular access to the Bayfront area is gained via surface streets linking the adjacent residential neighborhoods, which may require some form of traffic improvement by a developer, or by the City if it acts as a development partner. The lack of sites available for public parking will require any new development to facilitate its parking requirement on site, thus limiting square footage yield.

2. *Potential Developments*

- *"Birder Enclave":* The Bayfront is an ideal location for a lodging facility directed mainly toward Birders. The site of the Public Work Yard and/or the adjacent property is well suited to such a facility, given its close proximity to the San Diego Bay NWR. The concept is based on other comparable facilities in the U.S., and is referred to as an "enclave" because it is intended to be utilized nearly exclusively by Birders and to offer accommodations and amenities that appeal to that niche segment. It would be an extended-stay residential hotel and would likely include a clubhouse to foster interaction and community among the guest Birders. It would not be an ecolodge because the site and environs do not offer a pristine wilderness typical of such facilities.

- *Museum/Cultural Center:* The rich cultural heritage of local indigenous peoples provides a valuable opportunity for interpretation. A cultural museum could prove to be a regional attraction that is also compatible with the preferences of participants in certain ecotourist niche markets. Contacts developed as part of this study indicate that artifacts and materials that could be displayed at such a facility include significant items being uncovered in the Otay Mesa area, as well as an extensive collection that is currently stored off-display by San Diego State University. The materials are related to the Kumeyaay and Luiseno peoples and a substantial contribution from one of the local tribes would likely be necessary to develop the facility. The economic benefits of such a facility have not been tested for this study.

- *Amend Pond 20 MOU:* In 2000, the City, the Port, and the City of San Diego entered into a Memorandum of Understanding (MOU) to investigate the feasibility of developing Pond 20 and to determine its highest and best use. Since 2000, the Port has conducted extensive due-diligence on the issue of development feasibility and has concluded that commercial development is not financially feasible. However, the USFWS believes, and the consultant team concurs, that Pond 20 would provide significant benefits to wildlife if restored as a coastal wetland area. The MOU expires in July 2005 but the City should consider working to renegotiate the MOU with the objective of restoring Pond 20 and also obtaining ownership of several small, irregular parcels between Pond 20 and the Public Works Yard. These parcels are owned either by the Port or by the SDCRAA and could be utilized for creation of a pedestrian linkage between Pond 20 and the Public Works Yard.

- *Lodging Within Residential Areas:* The City should consider allowing homes within the Bayfront Focus Area to operate as bed and breakfast (B&B) inns. This would allow the City to augment and diversify its lodging supply. Some ecotourist market niches would prefer this type of accommodation to traditional hotels/motels. The consultant team acknowledges the extensive debate that occurred in the City in 2002 concerning the commercial use of homes in residentially zoned areas but believe that B&B inns would function differently than vacation rentals. The inns would require a business license from the City, would remit Transient Occupancy Tax (TOT), and, unlike a home offered as a vacation rental, would function with supervision of the homeowner as proprietor.

3. Potential Partners

In order to bring any or all of the potential developments listed above to fruition, the City would need to partner with entities that have site control and/or can provide funding or other forms of assistance to projects. For the Bayfront Focus Area, these partners may include:

- Private property owner (Henry Barros) – possible site acquisition or joint venture to develop Public Works Yard and adjacent commercial property.
- Port (or the SDCRAA) – renegotiated Pond 20 MOU and/or acquisition of remainder parcels between Public Works Yard and Pond 20.
- USFWS – possible restoration of Pond 20.
- U.S. Navy/Ream Field – possible relocation of Public Works Yard to Ream Field.
- Local Indian Tribes – potential sponsor of a cultural museum on the Bayfront.

C. Palm/Seacoast Focus Area

The Old Palm/Seacoast Focus Area includes the older commercial spine of Imperial Beach:

- Seacoast Drive from Imperial Beach Boulevard northerly to Palm Avenue; and

- Palm Avenue from the beachfront easterly to 3rd Street.

With minor exception, the commercial uses that front on Seacoast Drive or Palm Avenue are no more than one lot deep. Most beachfront parcels between Palm Avenue and Imperial Beach Boulevard have an overlay zoning (C-2/MU-2) that allows for commercial use in predominantly residential areas. Virtually all other portions of this focus area are designated for residential use. Densities range from 7 to 29 dwelling units per acre (du/ac). Under the City's zoning regulations, heights vary from 26 to 30 feet, with an exception made for hotels in the "Seacoast Commercial Zone" where the height allowance has the potential to rise to 40 feet. Seacoast Drive runs parallel to the City's beach frontage and also provides access to the picturesque Imperial Beach Pier. The scale and composition of the built environment in the Old Palm area elicits notions of a vibrant and active pedestrian village, but this potential has not yet been achieved.

1. *Key Issues*

- *Seacoast Inn:* The Seacoast Inn hotel has a premier beachfront location. However, the hotel is older, lacking in modern amenities, and is in dire need of renovation. Upgrading this property is important to the City and to this focus area. The 39-room Seacoast Inn is located directly on the beach and is in need of renovation. The ownership of the property is proposing to raze the existing structure and build a modern 81-room facility with pool, conference rooms, and structured parking. The potential for another hotel development also exists at the northwest corner of Seacoast Drive and Imperial Beach Boulevard. The City's Redevelopment Agency has had preliminary discussions with the property owner concerning redevelopment of the site with a mixed-use structure, including lodging.

- *Wayfinding:* The focus area is difficult to locate for travelers, coming from Interstate 5 (I-5) on Palm Avenue or Imperial Beach Boulevard (Coronado Avenue off-ramp) or from the Silver Strand. Improved directional signage and monumentation is needed. The area does not have a moniker or other designation per se, such as "downtown Imperial Beach" or "Imperial Beach village."

- *Parking:* There is a limited amount of public parking in the area, with few public lots along Seacoast Drive. The vast majority of parking in the area is curb parking along Seacoast Drive and in the adjacent residential neighborhoods. The lack of public parking is a hindrance to visitation and business development. The annual U.S. Open Sandcastle Competition held in Imperial Beach draws thousands of visitors to the beach and nearby residential streets are inundated with vehicles during the two-day event.

- *Site Assembly:* The area is largely built out, with few parcels remaining for development. Parcel depth is also relatively shallow, limiting development yield. However, there are a handful of undeveloped or underutilized lots on Palm Avenue and on Seacoast Drive, and opportunities for acquisition and site assemblage should be evaluated by the Redevelopment Agency.

- *In-Fill Development:* As previously mentioned, the area has a "village" feel. The setting is appropriate for in-fill development of retail, restaurants, residential, mixed-use, and lodging uses.

2. *Potential Developments*

- *Redevelopment of Seacoast Inn:* The redevelopment of the Seacoast Inn is a project of primary importance for this focus area and to the success of the ecotourism strategy. This project is critical to the ecotourism strategy because research indicates that a reconstructed Seacoast Inn would satisfy the lodging requirements of Birders visiting Imperial Beach. The development of a mixed-use structure with a lodging component in the south Seacoast Drive area could also satisfy Birders and complement the redeveloped Seacoast Inn.

- *New Lodging:* In order to appeal to the preferences of the broadest possible cross-section of ecotourist niche markets, an array of lodging types should be available. This focus area has strong potential for redevelopment, including the addition of new lodging facilities. The area could accommodate small hotels, including boutique hotels and bed and breakfast inns, that would appeal to ecotourism niches as well as to general tourists.

- *Local Eating and Drinking:* For the most part, ecotourists are not attracted to chain restaurants, national brands, instead preferring to experience local cuisine and customs. Entrepreneurial dining establishments are lacking in the City and this focus area is well-suited to the introduction of quality dining establishments. Imperial Beach must establish its own unique flavor, both in a figurative and literal sense.

- *Mixed-Use Buildings:* The introduction of more mixed-use buildings should be encouraged within this focus area. There is a limited amount of mixed-use space on Seacoast Drive. This type of architecture facilitates the introduction of hotel or residential units as upper-floor uses while activating the ground floor with commercial storefronts (e.g., restaurants, offices, shops, nightlife). The atmosphere created by mixed-use buildings would contribute to creating a vibrant pedestrian village attractive to ecotourists. Current zoning in this area will accommodate mixed-use structures.

3. <u>Potential Partners</u>

In order to bring any or all of the potential developments listed above to fruition, the City would need to partner with entities that have site control and/or can provide funding or other forms of assistance to projects. For the Palm/Seacoast Focus Area, these partners may include:

- Private property owners – site acquisition or joint venture partners.
- Port – possible financial support for beachfront improvements and beautification efforts.
- Chamber of Commerce/BID – leadership on marketing and promotion, special events, and clean-and-safe programs.

D. Palm Gateway Focus Area

The Palm Gateway Focus Area includes roughly one block north and one block south of Palm Avenue, between the City limits on the east and Rainbow Drive on the west. The area – particularly as seen from Palm Avenue - represents a major gateway into the City. As such, the view from Palm Avenue sets impressions and establishes a context for travelers.

With minor exception, both sides of Palm Avenue are designated for General Commercial use. While much of this General Commercial designation backs up on residential use, current zoning allows commercial expansion within these residential areas.

Single-family and two-family residential uses within this focus area have densities of 7 and 14 du/ac, respectively, and both are limited to a height of 26 feet. General Commercial use has a height limit of 40 feet.

1. Key Issues

- *Lack of Gateway Signage*: The Palm Avenue/SR 75 corridor is the City's main "gateway," as it provides access from I-5. However, the eastern portion of the corridor lies within the City of San Diego boundary and the line of demarcation between the cities is not called out by any signage or monumentation welcoming visitors to Imperial Beach. The City cannot exert control over areas in the City of San Diego but should consider purchasing advertising rights on private parcels in the San Diego portion of the corridor, as well as constructing a gateway apparatus within it own borders.

- *Blight:* The six-lane Palm Avenue corridor is an active commercial corridor offering a wide mix of non-complementary retail and commercial businesses. The corridor is characterized by older stand-alone buildings on small and often shallow parcels; a handful of small strip centers, automotive uses, convenience service stations, mobile home parks, and economy hotels. The City's portion of the Palm Avenue corridor lacks freeway visibility and direct access to I-5, site attributes prized by most national credit tenants. This gateway corridor is in need of redevelopment and beautification in order to upgrade the City's image and provide an attractive and welcoming entrance to the City.

- *Successful Redevelopment:* The Palm Avenue corridor has begun to see signs of redevelopment activity, such as the rehabilitation of the Imperial Beach Promenade shopping center in 2001. The $1 million project upgraded a tired retail center located at the northwest corner of 9th Street and Palm Avenue, adding a 15,000-SF Sav-on store as the center's anchor. The City's Redevelopment Agency assisted the developer through financial assistance, acquisition, and conveyance of an existing fast food operation, and vacation of a portion of 8th Street. This project could serve as a catalyst for similar projects in the area that can provide residents of Imperial Beach with needed retail stores.

- *Other Redevelopment Projects:* The Redevelopment Agency is working to redevelop an obsolete strip center located at the southwest corner of 9th Street and Palm Avenue, opposite from the redeveloped Imperial Beach Promenade. The 3.5-acre site currently houses approximately 19 community-serving retail tenants, including thrift stores and a barber shop, as well as a church. The current owner is anticipated to submit a proposal to redevelop the site. If the proposal is approved by the City, the City will enter into a development agreement with the owner and will likely shoulder a portion of the project's costs. If the proposal is rejected, then the City will pursue its own development plan for the site. The City envisions the creation of a highly visible, mixed-used development for the site that will improve the City's image and set the tone for subsequent redevelopment along the corridor.

- *Potential for In-fill Development:* The scarcity of developable land in San Diego County and the demand for housing in the region has resulted in skyrocketing housing prices throughout the region. Imperial Beach is no exception. The City is fully built-out and there are few opportunities to develop new housing. Furthermore, since 1999, housing prices in the City have risen more rapidly than the County average. Throughout the region, municipalities are championing in-fill development as a way to not only provide needed housing but also to redevelop blighted urban areas. There is potential to introduce quality in-fill development at key locations along the Palm Avenue corridor and make the City more attractive to visitors and locals alike.

2. *Potential Developments*

- *New Lodging Facilities:* The ecotourism strategy describes a process whereby Birders are the initial target market and vacationing families are the ultimate target market. In the near term, the redevelopment of the Seacoast Inn will satisfy the lodging requirements of the birding segment, but a more diverse range of lodging types will ultimately be needed to meet the needs of visitors from other market segments. Larger mid-scale or extended-stay, name-brand hotels and motels with familiar names will be sought after by the Family Overnight market. These hotels might include brands such as Clarion, Holiday Inn, or Hampton Inn, for example. However, these types of products are not compatible with the scale or character of the Bayfront or the Palm/Seacoast focus areas. The Palm Gateway commercial corridor is the appropriate location for these types of lodging facilities.

- *Condominiums:* As indicated above, this focus area could benefit greatly from in-fill mixed-use developments that include a residential component. Condominiums at maximum densities of 40 units per acre (allowable under existing zoning) would be appropriate. The benefits of such projects are many, including elimination of blight, increased homeownership, increased property tax revenues to the City, and stimulation of demand for existing/new commercial uses.

- *Chain Retail and Restaurants*: For many of the same reasons that this focus area is appropriate for brand name lodging establishments, so too it is the appropriate place in the City for chain retailers and restaurants. This is mainly true because the vehicular traffic and visibility that Palm Avenue provides is a prerequisite for most national chains. The Family Overnight niche segment welcomes familiar brand names of stores and restaurants they know and trust. To a certain extent, the Birder niche segment enjoys familiar and economical dining choices, particularly establishments that offer pre-prepared meals. Importantly, the same retail opportunities that appeal to certain travel niches will also meet the demand from local residents who are today underserved with respect to retail and entertainment choices.

3. *Potential Partners*

In order to bring any or all of the potential developments listed above to fruition, the City would need to partner with entities that have site control and/or can provide funding or other forms of assistance to projects. For the Palm Gateway Focus Area, these partners may include:

- Private property owners – site acquisition and development partners
- City of San Diego – Palm Avenue corridor redevelopment and beautification

E. Facilitation of New Development

Each of the development opportunities identified in this section support the ecotourism strategy. The support is either direct, in cases where the project provides necessary lodging and requisite visitor amenities; or indirect, by revitalizing blighted areas, beautifying the City, or enhancing the City's image. Furthermore, each opportunity also has value for the local citizenry and is in keeping with the City's economic development goals.

However, each development opportunity will involve substantial planning, due diligence, and ministerial review. The City and the Redevelopment Agency will likely have to provide the impetus for the majority of the opportunities on the list. This section provides the City with a list of action steps it can undertake to facilitate development, both in a general sense and with regard to each of the respective focus areas.

General Action Steps
(1) Review each concept for consistency with City Zoning, the Redevelopment Plan, and the Economic Development Plan and determine if changes (amendments) are required and/or desirable
(2) Direct Redevelopment Agency resources toward target developments
(3) Enter into public/private partnerships with developers and property owners
(4) Assist developers with site assembly
(5) Issue a Redevelopment Agency Notice of Funding Availability (NOFA) and/or developer solicitation

Action Steps - Bayfront Focus Area
(1) Master plan Bayfront area **(2)** Map potential site assembly **(3)** Consider amending the Pond 20 MOU to include remainder parcels between Public Works Yard and Pond 20 **(4)** Plan access, parking, building footprints **(5)** Conduct additional due diligence regarding market support for proposed use(s) **(6)** Identify and seek potential third-party funding sources **(7)** Determine necessary infrastructure upgrades

Action Steps – Palm/Seacoast Focus Area
(1) Support and implement Seacoast Inn redevelopment **(2)** Map publicly-owned parcels and vacant/under-utilized parcels to determine key assembly opportunities **(3)** Evaluate development potential of sites at southern end of Seacoast Drive **(4)** Determine necessary infrastructure upgrades **(5)** Formulate and test the feasibility of in-fill development prototypes for typical sites **(6)** Plan access/parking **(7)** Conduct additional due diligence regarding market support for proposed use(s) **(8)** Enter into public/private partnerships with developers and property owners **(9)** Issue NOFA or Request for Proposals (RFP) for targeted types of development

Action Steps – Palm Gateway Focus Area
(1) Review status of redevelopment potential for site located at the southwest corner of 9th Street and Palm Avenue **(2)** Formulate and test feasibility of in-fill development prototypes for typical sites **(3)** Outreach to property owners **(4)** Pursue site assembly and/or issue general Agency NOFA for targeted development **(5)** Infrastructure upgrades

F. Initiation of Marketing Program

1. Strategy

The birding market is the most appropriate "ecotourism" market niche for Imperial Beach to pursue in the near term. It is important for the City to begin the process of developing a new market identity geared toward the birding market. This process should be initiated soon, as a new identity will take time to formulate and the consensus-building phase could be lengthy.

Imperial Beach should begin immediately to evolve its vision of itself and identify how to make the town attractive to Birders and nature lovers based on the recommendations in this report. There will need to be a consensus on how the mission statement of the City is amended and how a special positioning statement/brand and identity can be formulated for Imperial Beach that is attractive to the birding and nature marketplace. The business community, the environmental community, and Federal and State resource agencies must participate in creating this new market identity. The outcome of the process must be a new brand that benefits each of the respective parties.

While it is important to begin the process of creating a new market identity as soon as possible, no campaign can be formally launched until necessary infrastructure has been identified and a plan to bring it about enacted. Launching a campaign before this has occurred would be premature and could lead to dissatisfaction of visitors, once they do not find adequate amenities in place to satisfy their interests and needs. The specific steps are presented here.

2. Revising the Imperial Beach Mission and Brand

Imperial Beach has evolved its present identity around its "classic Southern California" beachside ambience. Its present mission statement reads:

> "*To maintain and enhance Imperial Beach as Classic Southern California; a beach-oriented community with a safe small town family atmosphere, rich in natural resources*."

Imperial Beach can enrich its image by emphasizing bird watching and a wider variety of outdoor recreation opportunities. It is suggested that the present mission statement be amended. For example, the new mission statement could read:

> *"To maintain and enhance Imperial Beach as Classic Southern California; a beach-side community with a safe small town family atmosphere which welcomes visitors interested in nature, bird watching, and outdoor recreation."*

At present, Imperial Beach is using a classic California woody wagon with surfboard as its logo, and it may want to retain this image in order to maintain a consistent image with the public. However, the City should consider whether a new logo might better serve the community, perhaps including graphic references to birds and the beautiful bayside and estuary panoramas.

Whether or not Imperial Beach chooses to change its logo, it should consider a special positioning statement, graphic identity and tagline for the nature-loving, bird watching market that allows this particular niche campaign to have its own identity.

The community should evolve a new niche market positioning statement as a first step in its efforts to launch itself into the birding and nature market. Such a positioning statement must help both the community and its visitors understand what makes Imperial Beach a special destination for Birders and nature lovers. A positioning statement should use terminology that is used in the nature-loving, birding community. For example:

> *"Imperial Beach is a Birder-friendly community adjacent to world-class bay, estuary, and ocean birding hotspots in one of the most well preserved coastal ecosystems in the West."*

In the public meeting on February 8, 2005, the idea of evolving a new community-supported positioning statement received a good reception.

A final positioning statement, evolved by the business, environmental, and natural resource community working together is the first step in developing a niche "ecotourism" market campaign for Imperial Beach.

3. <u>Position Imperial Beach in Contrast to San Diego and Chula Vista</u>

It is important that Imperial Beach maintains a firm vision of itself and its identity as different from, and distinct from, its competitors in the rest of the San Diego market. If Imperial Beach seeks to

duplicate the marketing vision and position of nearby Chula Vista, for example, which is developing an ambitious waterfront development on the South Bay (see box below), it will not be able to compete with this development. But if Imperial Beach maintains its identity as a small, family-friendly location, which is good for Birders, this will appropriately position Imperial Beach. In fact, Imperial Beach will likely benefit from Chula Vista's efforts to draw more visitors to the South Bay. First of all, this new waterfront development will be within easy access of Imperial Beach by car and ultimately by bike path. Second, serious Birders will likely prefer Imperial Beach to Chula Vista, as they are likely to prefer more reasonably priced accommodations in a small town developed at a less intensive scale.

As Imperial Beach evolves its new identity in the marketplace, its unique access to both the Tijuana Estuary and South Bay should also be emphasized. No other location can boast two world-class coastal reserves within easy walking/biking distance of each other, making it possible to view birds at both locations in one morning.

The Chula Vista Bayfront Plan
The Chula Vista Bayfront development will include a wide range of commercial land uses, including hotels, piers, a conference center, retail, and recreational amenities. The site of the development is in close proximity to the existing nature center, which is located on a separate peninsula. The project has a citizen advisory committee, many of whom are also involved in the Imperial Beach ecotourism plan. A series of master plans was presented to the public in January 2005; these are currently being reviewed and evaluated to zero in on the desired "look and feel" of the development. The new development will include significant open space, including a cultural park, bay walks, trails, and a greenbelt with shoreline promenade. It will provide recreational opportunities, including a kayak launch and boat charter. The projected average room rate for the hotel and conference center is $150/night.

4. <u>Create Campaign that Targets Fall, Winter, and Spring Markets</u>

Most destinations suffer with lower occupancy rates in shoulder and off-seasons. Imperial Beach has adequate demand now for its summer high season, but would do well to plan how to target a market for its less popular seasons. Fortunately, the best birding in Imperial Beach's adjacent refuges is in fall, winter, and spring. This provides the opportunity to develop a "birding season" campaign. Significant "snowbird" markets exist from Northern California to the Upper Midwest, consisting of individuals who are interested in escaping the cold weather and who particularly enjoy birding in milder climates. Texas, Arizona, and Florida have actively sought to attract the "snowbird" birding market already. Certain small-town destinations in Texas, such as Rockport, have built their town identity and hospitality facilities around the interests of bird watchers.

Profile of Rockport, Texas

One of the top birding sites in Texas is the tiny community of Rockport, Texas. This fishing village has long been considered a Birders' paradise and is best known as home of the Aransas National Wildlife Refuge. This 54,829-acre refuge is the prime wintering ground for hundreds of bird species including the endangered whooping crane. A visitor center includes films and exhibits on the annual migration of these five-foot-tall birds. The Rockport website, http://www.rockport-fulton.org, offers an excellent case study of the type of information the birding market is seeking. There is a breakdown of the number of birds to be viewed in each season, directions to all of the nature trails, descriptions of each of the refuges with web links, and web links to all of the individuals and companies offering guided tours. Rockport has a birding club that welcomes visitors, and the city offers birding patches (see above patch image) to any visitor that can identify 15 of the species found in the Rockport area. Those interested in winning a patch must pick up a birding checklist at the Rockport Chamber of Commerce and pay a $5.00 participation fee. The program is designed to all types of Birders including novices, while allowing the Chamber of Commerce to offer a wide variety of other service and hospitality information for those who come to take advantage of the birding patch program.

5. Planning Approaches

The preparation of an ecotourism plan will have little effect absent some mechanism to guide implementation of the plan, monitor its success, and champion its causes. The consultant team recommends that the City Council take the lead on this point by forming a committee – The Ecotourism Committee - that will be vested with this responsibility. The Ecotourism Committee should include members of the hospitality industry, the business community, Federal and State land management agencies, local environmentalists (especially the San Diego Audubon Society) and the City.

While the City of Imperial Beach works to develop hospitality infrastructure for Birders, the Ecotourism Committee must work to develop an Imperial Beach Bird Watching marketing campaign plan, including a new positioning statement, that will provide opportunities for local businesses. The constituencies represented on the Committee must work together to market the new Imperial Beach “Birder-friendly” image. Once the positioning statement is complete, the proposed committee can then begin to undertake the following initiatives:

(1) *Additional Market Research:* A more detailed study of the "snowbird" market that ascertains exactly what segments of the population and what regions of the country will respond to Imperial Beach's new "Birder-friendly" market image should be undertaken. The study should take a close look at Northern California and the Upper Midwest, which have been identified as key markets for Birders who travel. While the research in this study provides general characteristics of this market, it would be ideal if an original survey could be undertaken in key target markets for Imperial Beach to be certain the new initiative is targeted correctly to the right geographic regions and market segments.

(2) *New Market Identity:* A new logo design with tag line should be considered, if not for Imperial Beach, then for the Bird Watching campaign. If the Bird Watching campaign has an attractive graphic image associated with it, this will be an important branding effort that can be used in a variety of ways. The image could be sold on a wide variety of Imperial Beach souvenirs with the tag line, "*Imperial Beach -- Birding at its Best,*" just as an example. The graphic could be used in directional signage throughout the town to direct visitors to the best birding spots. The graphic and tag line could be used on a "Birder" welcome package which should include an Imperial Beach Birder check list; trail information for the Tijuana Slough National Wildlife Refuge; a map with the best birding locations identified; brochures listing printed local bird guides (such as the San Diego Bird Atlas) and locations where the guides and other birding supplies can be purchased; and coupons for local businesses that cater to Birders, such as a restaurant that offers early morning take-out food.

(3) *Travel Packages:* It is important that the Seacoast Inn is involved in all planning for the Birder market. The Ecotourism Committee should involve a marketing representative from the Seacoast Inn and work with the Inn to develop special packages for birding patrons. These packages should be targeted at the shoulder and off-season market, with competitive pricing. The market research on the Birder market (see Appendix) indicates that the average out-of-state Birder spends $134 per day on food and hotel. While further market research will help ascertain if this is correct, it should be assumed that Birders will seek highly competitive prices for their lodging. The Seacoast Inn should consider offering special "birding packages" on their website including early breakfast, an Imperial Beach birding patch, bumper sticker or other free "Birder" souvenir, the Birder welcome package described above, and a schedule of opportunities for visitors to join bird watching outings with experienced, knowledgeable guides.

(4) *Internet Exposure:* It will be highly important that the Ecotourism Committee works to maximize the campaign's presence on one well publicized web site. The Imperial Beach website is the best option. The Rockport, Texas municipal website provides a good model for a simple municipal website that effectively routes visitors to the information they need on recreation, hospitality options, and related services for Birders in the town. Once the Imperial Beach Bird Watching campaign is ready to launch, the website will become the central organizing factor for the entire campaign, and, therefore, will need to have a budget and paid individual managing it on contract, if just for a few days each month. Websites must be kept

fresh, with new offers and updates placed on-line on a regular basis. The Ecotourism Committee must therefore work out a method to help cover the costs of maintaining a fresh, updated website that has excellent information for Birders about Imperial Beach.

(5) *Strategic Alliances:* The Ecotourism Committee will also need to determine the strategic allies it will work with in order to effectively link the Imperial Beach Bird Watching website to other websites that attract a birding market. This should include the San Diego Audubon Society, the San Diego Natural History Museum, San Diego Zoological Society, the U.S. Fish and Wildlife Service pages on the San Diego Bay National Wildlife Refuge, the Tijuana Slough National Wildlife Refuge, national bird watching websites, and other websites that feature birding in San Diego County. One Ecotourism Committee activity can be to research all of the good web links that will help the Imperial Beach Birder campaign reach their market.

(6) *Strategic Outreach:* Finally, the Ecotourism Committee should consider a series of presentations to birding groups in target regions of the United States, such as northern California and the Upper Midwest. All local Audubon Societies tend to have winter lecture series, and would welcome an expert from Imperial Beach to show pictures and talk about the wonderful birding that is available in Imperial Beach. The year the campaign is launched, a tour of local Audubon Societies in target regions should be considered.

G. Implementation Mechanisms

As previously noted, this ecotourism plan will not be able to move forward without the stewardship of constituencies with vested interests in the plan's success. An ecotourism committee should be formed by the City Council to refine and implement elements of the plan. Greater detail on the Committee's responsibilities and priorities is provided below.

The major responsibilities for the Ecotourism Committee will include:

(1) Determination of required investment and direction of available funds to ecotourism objectives
(2) Identification of the human resources required to implement the plan
(3) Development of strategic alliances with Federal, State, and local organizations

Key priorities for the Ecotourism Committee will include:

- Review of ecotourism-related business opportunities
- Enhancement of Imperial Beach necessary visitor-serving infrastructure and beautification
- Refinement of marketing approaches
- Coordination with Federal agencies
- At the direction of the Pond 20 Council Committee, re-evaluation of the future potential of Pond 20 for the ecotourism plan

In order for the Ecotourism Committee to be effective, the City should commit to provide a baseline level of support in the form of either funding or services. This support may include assisting the Ecotourism Committee with matters related to evaluation of candidate sites for ecotourism uses. In the near-term, the best use of City funding support would involve the hiring of a professional marketing consultant to help the Ecotourism Committee further refine the marketing program and manage its implementation.

H. Potential Funding Sources

Implementation of any strategy plan requires adequate and timely funding in order to move forward, capitalize on near-term opportunities, and to lay the groundwork necessary to prepare for long-term opportunities. The City should not only seek to form funding partnerships with local agencies, but also tap into other available funding sources.

1. The California Coastal Conservancy

The California Coastal Commission (CCC) funded a significant share of the costs of this study. According to CCC project supervisor, Prentiss Williams, the CCC may be able to provide funding for implementation projects based on the outcomes of this study. The CCC is interested in reviewing a follow-up proposal from the City of Imperial Beach to determine whether or not the proposals fit within their funding guidelines.

The CCC funding categories are as follows:

- Development of urban waterfront
- Public coastal access and trails
- Wetland restoration
- Site reservation
- Agricultural preservation

The CCC's Urban Waterfront Program can provide funding and technical assistance to both landowners and local governments for a variety of waterfront projects, including:

- Protection, restoration, and expansion of coastal-dependent land uses. Land uses can include recreational, commercial, and industrial facilities.

- Creation and expansion of opportunities for public access and use of urban waterfronts in conjunction with new development.

Thus far, the CCC has assisted in the completion of more than 100 urban waterfront projects. One of the CCC's main objectives is to ensure that sustainable projects are implemented along California's sensitive coastline. In keeping with this objective, the CCC will consider funding predevelopment costs such as site planning, project design, and market and financial feasibility for appropriate developments.

The City should seek CCC assistance with evaluating the development opportunities related to creation of a birding enclave along the Bayfront.

2. Urban Conservation Treaty for Migratory Birds

The USFWS provides Challenge Grants to support partnership agreements between USFWS and local governments to help conserve migratory birds. Cities are awarded Challenge Grants to pay for development of customized action plans reducing hazards for birds, preserving habitats, and educating local citizenry. Challenge Grants range in magnitude from $10,000 to $150,000, though the program is currently not active due to a lack of funds. In the past, plans for major cities including New Orleans, Houston, Philadelphia, and Chicago have been approved. Information on program updates can be found at the USFWS web site.

3. Neotropical Migratory Bird Conservation Fund

This fund was established to enhance opportunities for conservation of migratory birds in the U.S., Latin America, and the Caribbean. Although the Fund's mandate stipulates that 75% of total resources must be spent in areas outside of the U.S., local governments are eligible to apply for the remaining 25% of available funds. Funds consist of grants which require a three-to-one funding match (three applicant dollars to each Federal dollar) and can range in award from $15,000 to $250,000. From 2003 to 2004, approximately $3 million in grants was disbursed. It is anticipated that approximately $3 million in grants will again be disbursed in 2005, but the application deadline expired in December 2004. Potential applicants for 2006 may obtain program information from any of the U.S. Joint Venture Coordinators listed at the web site address provided at http://birdhabitat.fws.gov/.

Programmatic categories are:

- Protection and management of neotropical migratory bird populations
- Maintenance, management, protection, and restoration of habitats of these birds
- Research and monitoring of species
- Law enforcement
- Community outreach and education

Imperial Beach should review the opportunities for projects highlighting the important need for cross border community outreach and education. Such a proposal could be undertaken in cooperation with a variety of strategic partners in Imperial Beach, most importantly the Tijuana Estuary Visitor Center.

4. Redevelopment/Tax Increment Financing

Virtually all of Imperial Beach lies within the boundaries of the Imperial Beach Redevelopment Agency's Project Area. Tax increment revenues generated in the Project Area could be used toward the following activities:

- Construction of public improvements such as infrastructure and parking;
- Land assembly and disposition;
- Direct property acquisition and land cost write-down;
- Payment of permits and fees; and
- Rehabilitation loans and grants.

5. Community Development Block Grants (CDBG)/Section 108 Loans

Community Development Block Grants are annual grants provided to cities and counties from the U.S. Department of Housing and Urban Development (HUD) for use towards economic development, public facilities, and housing rehabilitation. Communities receiving CDBG funds are eligible to apply for Section 108 loans to fund large development projects. The loans are repaid through a community's future CDBG funding. Loans may be used for property acquisition, rehabilitation of publicly owned real property, related relocation, demolition and site work, financing costs, and housing rehabilitation. Using this mechanism, the City or the County to designate funds toward property acquisition or public improvements within focus areas on a one-time basis for economic development purposes.

APPENDIX

MARKET ANALYSIS

A. METHODOLOGY

As a first phase of this study, the consultant team prepared an assessment of the baseline conditions in the City pertaining to real estate market conditions, planning, and regulatory guidelines. In addition, a thorough review of the existing ecological amenities and any future improvements or investments was also conducted. This phase of work (Working Paper #1 – Assessment of Opportunities and Constraints) provided the consulting team with a firm understanding of the City's marketable assets and constraining factors limiting marketability.

With that knowledge as a basis, and the study's major objectives in mind, the team proceeded with the task of researching travel niches that could potentially be attracted by the City's palette of resources. The team researched trends and attributes of three ecotourism travel niches and three recreation travel niches. In particular, the lodging, eating and drinking, entertainment, culture, and recreation preferences of the travelers comprising the respective niches were compared with what Imperial Beach has to offer them. The goal of this exercise was to identify the niche segment that would stay the longest within the City and spend the most, while impacting the community the least.

B. DEFINITION OF KEY ECOTOURISM PRINCIPLES

Ecotourism is a growing niche market within the larger travel industry which is defined by The International Ecotourism Society (TIES) as “responsible travel to natural areas that conserves the environment and sustains the well-being of local people.”

From a functional viewpoint, ecotourism in the marketplace is managed by tourism operators and hotels that are operated by small and medium sized companies that concentrate on leading and accommodating small groups in natural areas in an education manner using interpretive materials and local specialist guides.

Ecotourism has been defined as nature-based tourism in the marketplace, but it has also been and studied as a sustainable development tool since the 1980s. The strong orientation of the ecotourism field toward the evolution of principles and guidelines based on sustainability standards give it an unusual position in the tourism field. One set of principles, published by the United Nations Environment Program (UNEP) and The International Ecotourism Society (TIES) in 2002, that evolved via international consensus, follows:

- Contributes to the conservation of biodiversity.
- Sustains the well-being of local people.
- Includes an interpretation – learning experience.
- Involves responsible action on the part of tourists and the tourism industry.
- Is delivered primarily to small groups by small-scale businesses.
- Requires lowest possible consumption of non-renewable resources.
- Stresses local participation, ownership, and business opportunities.

Each region seeking to attract the ecotourism market must undertake a thorough destination development planning process. General principles for destination development, as defined by a leading research firm, are provided below.

According to Stanley Plog (2004), any destination entering the market will face a competitive marketplace. Plog asserts that “To stand out in the crowd, effective tourism planning must begin. A newly developing area must not allow excessive commercial development to dominate the landscape, and they must decide which psychographic segment they will target and ensure that the place retains the qualities this segment most desires.” Psychographics seeks to understand the personality traits of an individual or group with respect to the subject’s interests, values, motives, or opinion. This approach is considered critical in identifying key customer demographics and crafting corresponding communications.

Destination Development Guidelines
• Protect what is unique or natural about an area. • Reduce density. Do not overcrowd an area with too many hotels, shops, restaurants, and game parlors. • Enhance the feeling of seclusion and privacy to contribute to the ambience of retreat or escape. • Seek quality throughout. A destination that ensures high standards of construction of hotels, offices, retail centers, and public spaces will attract an audience that spends more, stays longer, and returns more often. • Emphasize variety in terms of activities available. • Restore the natural and historic to retain a sense of heritage. • Value local culture and traditions. • Institute height limits on buildings to protect vistas and scenic views. • Gain community acceptance. Stanley Plog © 2004 Pearson Education

The destination development guidelines above are complemented by the eco-destination planning guidelines that follow, written specifically for the ecotourism market.

Eco-Destination Planning Guidelines
• Master plans for the entire tourism development region should specify green zones, trails, walking paths, public access areas, and clear rules on the density of development allowed in residential and commercial zones. • Zones for tourism use should be clearly designated, as are zones inappropriate for tourism use. • Visitor management plans and procedures should incorporate public comment during design and implementation phases, with monitoring programs that allow for regular discussion of tourism use and the correction of problems. • Full stakeholder consultation should take place on the type of tourism development desired. • Integrated natural resource planning should offer residents a variety of sustainable economic development alternatives beyond ecotourism. Megan Epler Wood 2002, © United Nations Environment Program and TIES

C. OVERVIEW OF ECOTOURIST MARKET NICHES

The consultant team identified three ecotourist market niches and conducted research into their respective market dynamics. The effort culminated in a qualitative analysis of the preferences of travelers within each niche with respect to lodging, eating and drinking, and other amenities needed to attract them.

The niches identified include:

(1) Classic Ecotourist
(2) Edu-traveler
(3) Birder

Each niche is discussed in detail within this section of the report.

Generally, it was determined that the prospects for attracting the Classic Ecotourist are quite small because the natural environment necessary to attract them is not available in Imperial Beach and cannot be created without substantial expense. Furthermore, the visitor infrastructure sought by this segment is absent in the City.

The Edu-traveler could be attracted to the City, but only after certain cultural and educational amenities have been put in place. Like the Classic Ecotourist, the Edu-traveler is seeking accommodations and visitor amenities that are not yet manifest in the City, such as upscale lodging and high-quality local restaurants.

The Birder niche represents the best capture potential for the Imperial Beach. This niche is less selective with respect to lodging and visitor amenities and would likely be satisfied with the quality lodging that could be provided in a redeveloped Seacoast Inn. This niche is highly focused on the birding opportunities and can be attracted to the City, with proper marketing efforts, with little financial investment on the part of the City.

EXHIBIT C-1

DESCRIPTION AND PREFERENCES OF ECOTOURISM MARKET NICHES
URBAN WATERFRONT/ECOTOURISM STUDY
CITY OF IMPERIAL BEACH

Ecotourism Niches	Description	Preferences			
		Lodging	Eating & Drinking	Entertainment & Culture	Outdoor Recreation
Classic Ecotourist	Wildlife watchers who enjoy wilderness, rare species, archeology, native people, and birding	Ecolodge in pristine setting; Bed & Breakfast	Local/ Entrepreneurial ; Prepared Meals (High quality)	Museums (natural history)	Active land- and water-based activities
Edu-traveler	Intellectually curious, well-read travelers who love educational experiences, historic sites, museums, and archeology sites	Upscale facilities; Bed & Breakfast	Local/ Entrepreneurial (High quality)	Museums	Passive viewing/touring
Birder	Individuals who enjoy birdwatching when traveling; and "snowbirds," individuals who especially enjoy birdwatching when at their winter home	Bed & Breakfast for short term; Extended Stay for long-term	Local/ Entrepreneurial, Prepared Meals (Economical to mid-quality)	Museums (nature center)	Overnight camping

(1) Classic Ecotourist Market Niche

The large baby-boomer generation (individuals born between 1945-1964) is generally considered to drive the market for ecolodging. They will have more leisure time, unprecedented health and longevity, and good financial resources to travel in the next 30 years. The large majority of these highly educated, middle class travelers will seek comfortable lodging that is mid-priced.

The U.S. ecotourism market for accommodations is most thoroughly identified as part of a study of overseas travelers. The ecotourism market has been studied for North America, and many of the characteristics of this market relate directly to the ecolodge market. There has been no specific study on the market for ecolodges.

The ecotourism market is driven by a strong interest in viewing wildlife, which makes this market distinctive. For this reason, excellent studies on the demographics and activity preferences of wildlife watchers and economic impacts of U.S. wildlife watching also inform this analysis.

About 60% of the international ecotourist travel market seeks to stay in lodges or cabins indicating that ecolodges are an important accommodation category for this market. Interest in cabins, lodges, and camping in this category indicates that travelers are not seeking luxury accommodations.

Market	***Accommodation Characteristics and Preferences***	
U.S. Tourists	*Ecotourists Prefer:* 66% cabins 60% lodges 58% camping 41% bed and breakfast 41% hotel & motel 40% ranches	*General Tourists Prefer:* 14% cabins 14% lodges 17% camping 10% bed and breakfast 56% hotel and motel 1% ranches

Definition of Ecolodge
The international definition of ecolodges, as articulated in the The International Ecotourism Society (TIES) International Ecolodge Guidelines, was only recently published in 2002. The definition, which is a check list, includes three main components: • the conservation of neighboring lands • benefits to local communities • interpretation to both local populations and guests

(a) *Demographic Factors*

The ecotourist has long been thought to be in the upper-income categories with high education levels, but this information was based largely on the market for packaged ecotours to international destinations. Those who travel on packaged international ecotours spend $2,000-$3,000 per person for 10-14 days trips and have average income levels over $100K annually. But as more surveys come out which include the 50% of the market that is not traveling with a tour company, it appears that in fact the overnight ecolodge market is more than likely a mid-priced lodging market ($61-$200 per day) serving highly educated individuals who are in professional technical fields, not as heavily represented in the highest income categories (over $100K).

Classis Ecotourist Demographics	
Gender	• Slightly more women than men (~ 55% female; 45% male)
Household	• ~ 45% are married couples, with about 1/3 being single • often 1/3 families
Education	• High levels of education (~80% are college graduates)
Occupation	• 42% in professional/technical fields – 5% more than average traveler • 20% manager/executives, 10% less than average traveler
Household Income	• Majority in the $20-80K income category (53%) – 5% more in this category than average travelers • 47% with incomes above 80K, 7% less likely to have upper incomes over 200K than average traveler
Travel Party	• ~50% ecotravelers and ecotourists are couples (on tour), -20% single , the percentage traveling with children is increasing (33% in 1991, 45% in 1999)

U.S. Wildlife Watcher Demographics	
Gender	• Slightly more men than women (52% men, 48% women)
Education	• Medium levels of education - 31% of college graduates in the U.S. participate, 17% have high school degrees or less, and 12% have 1-3 years of college • Of non-resident U.S. wildlife watchers (those who travel to see wildlife) – 37% have 4 or more years of college, 35% have high school degrees or less, and 27% have 1-3 years of college
Household Income	• 14% of U.S. population with incomes between $40-50K travel to watch wildlife, 15% between $50-75K, 16% between $75-99K, and 15% over $100K.

(b) *Consumer Trends and Niches*

- *Information Technologies:* The Internet and its use for information, research, and purchase of tourism products/services will continue to increase. The ecolodge overnight market will be highly discriminating users of technology because of their high education levels. They will seek out exceptional quality information on the web, and they will use the Internet to compare the pricing and quality of ecolodge locations not only in the United States but with overseas destinations as well.

- *Leisure Time:* Because the number of days of paid vacation leave is declining in the U.S., there has been a consistent trend toward shortening of the main vacation, and an increased emphasis on more short vacations. The overnight ecolodge market in the U.S. could benefit from this trend, but there are few examples of ecolodges in the U.S.

- *Security:* Growing concerns about the security of international travel for Americans have fostered a marketing push in the U.S. highlighting the safety of staying closer to home. However, U.S. international travel grew by 4% again in 2003, after declines in 2001 and 2002, thereby indicating that the international travel market is generally resilient and tends to bounce back after a period of time. Security may not be an important driver within the domestic market, except in short periods after specific attacks or international health crises have occurred.

- *Lifestyles:* Lifestyles are changing gradually. Public displays of “status” are less important, and lifestyles are more informal worldwide. Demand for five star accommodations will decrease, since this typifies the World War II generation. This will benefit the ecolodge sector.

- *Health and Sustainability Niche:* A new marketing segment is growing – Lifestyles of Health and Sustainability (LOHAS). This is an integrated market for goods and services that appeal to consumers who have a meaningful sense of environmental and social responsibility, and incorporate those values into their purchase decisions. Key segments of interest include: healthy lifestyles, personal development, alternative healthcare, ecological lifestyles, and sustainable economy. There is a trend toward providing services in personal development (such as yoga and meditation) together with ecological lifestyles (such as ecotourism) in one location that is sustainably designed (with the use of alternative energy, and well documented efforts to reduce waste, use of water and energy). Retreat centers such as Esalen or Omega Institute continue to grow rapidly, are creating more sustainably designed retreat center, and offer more and more "off campus" programs at other lodges and destinations both in the U.S. and overseas. This represents a still nascent opportunity for the overnight ecolodge market, which continues to market largely to wildlife viewers going overseas. However, Maho Bay Camps, one of the first ecolodges in the world based in the U.S. Virgin Islands, now offers a month-long January shoulder season program for Omega Institute– featuring yoga, meditation, personal health advice and much more, signaling that the two markets are beginning to merge.

(c) Activities Desired

The overnight ecolodge market demonstrates strong interest in the natural environment, learning, and in the concept of the experiential vacation. U.S. ecotravelers are almost six times as likely to go camping or hiking than the average tourist. They are five times more likely to visit national parks, three times more likely to visit ethnic heritage sites, and twice as likely to participate in water sports or visit cultural heritage sites. Ecotourists rate the following experiences as most important:

- wildlife viewing 53%
- wilderness 41%
- rare species 26%
- archeology 21%
- native people 18%
- birdwatching 21%
- marine/water activity 12%

Adventure travel, including rafting, mountaineering, heli-skiing, and backcountry hiking, has been an important component of the North American outdoor travel business for 25 years, and remains a dominant player in the U.S. marketplace. But this is a separate market niche and, therefore, must be evaluated separately.

Individuals in the U.S. who travel to watch wildlife prefer birdwatching above all other activities (18.6 million people nationally). Of these, 77%, or 14.4 million nationally, are interested in viewing waterfowl – the most popular type of bird group among traveling wildlife watchers. Because

Imperial Beach's strongest birding category is waterfowl, this fact is of significant importance to Imperial Beach.

Over 10 million individuals nationally reported interest in viewing other water birds (these numbers overlap with the above), Imperial Beach's other important category of wildlife. Therefore, Imperial Beach has strong categories of wildlife to attract wildlife watchers. In comparison, just 3 million individuals nationally reported interest in seeing marine mammals.

(d) Motivations

According to tour operators leading international trips, the primary motivations for traveling with an ecotourism group were:

- Excellent guides
- Small groups
- Un-crowded areas

(e) U.S. Wildlife Watching Trends

Wildlife watching as a residential and non-residential activity in the United States dropped by 13% between 1991-2001. Wildlife watching as a non-residential activity experienced the most substantial decline, falling 27% more than residential wildlife watching.

Equipment purchases for wildlife watching (particularly off-road vehicles and campers) rose dramatically (90%) in the same period, as users purchased campers and recreational vehicles to serve as alternative trip lodging to lower traveling expenses. Overall, the amount of money spent on trips trended downward and travelers availed themselves of fewer services.

(f) Expenditures and Willingness to Pay

On average, U.S. outdoor travelers spend $871, with the highest mean expenditures found at about $1,500 per trip among upper income groups within the U.S. The average length of stay varies, with 28% staying 4-7 days and 50% staying 8-14 days. There is no study looking at the average price paid per night for ecolodges in the United States. Many independent traveler ecotourists will combine car camping with hotels, inns, bed and breakfasts and then up-scale lodging upon arrival in more urban environments. It is therefore not reliable to look at mean per day expenditures per trip with the existing data, as it would not be representative of what the market will bear. One point made by the ecotourism studies is that ecotourists will pay more per day and stay longer if the quality of wildlife watching merits it. For example the mean stay in Alaska is 12 days, much longer than average in other wildlife destinations in the U.S.

(g) *Economic Impacts of Wildlife Watching in the U.S.*

California is ranked as the number one state in the U.S. for "economic output" from recreational wildlife watching. California's economic output from wildlife watching is estimated to be over $5 billion with nearly 6 million wildlife watchers in the State. Just 7% of these wildlife watchers travel to wildlife watch. Nonetheless, this makes California the top earner in the nation from non-resident wildlife watching, at $9.5 million.

Of the non-residential population wildlife watching in the United States (and presumably California), it is important to note that 70% are traveling within their home state. It is therefore of importance to note that California residents are the most important client base for wildlife watching in California.

(h) *Imperial Beach Market Projection*

If Imperial Beach were to foster the development of a mid-priced ecolodge on the Bay front, it could expect to target a year-round market of travelers interested in wildlife viewing and nature programming. But because the setting is relatively urban in nature, with no "wilderness character", this market may be difficult to attract in competition with other more scenic, rural ecolodge destinations with more varied wildlife viewing.

The idea of a sustainably designed, small-scale hotel and conference center that takes advantage of San Diego's accessibility and the need for facilities that cater to the ecological and sustainability sensibilities of the LOHAS market deserves further attention, as this market continues to grow. This market does not demand high quality wildlife viewing and a wilderness setting. However, instead, it has its own market drivers – related to personal growth options (yoga classes) with teachers that may be well known regionally. Institutions already well known in the LOHAS market could be invited to IB to provide guidance.

For an ecolodge, pricing should fall between $60-300 per night. For more specific pricing guidance, hotel pricing within the area of San Diego should be reviewed and compared with the above wilderness lodge table. As can be seen in the above Wilderness Lodge table, ecolodges include a portion of their activities and food in the price. Therefore if guided walks were included, for example, this would be a value added above standard competitive hotel pricing in San Diego and allow for more price elasticity.

The anticipated length of stay should be calculated according to the number of days visitors can enjoy structured educational and wildlife watching activities.

(i) *Imperial Beach Target Market for Classic Ecotourist Niche*

- 50% couples, 45% families, 5% singles
- Professionals, academics, technicals
- Well-educated, incomes $75,000 plus

- Families or couples who love nature

(j) *Advantages and Disadvantages of Overnight Ecolodge Niche*

Advantages

- Imperial Beach has large populations of waterfowl and water birds, both categories of wildlife of great interest to recreational wildlife viewers
- Idea of packaging nature programming with lodging would be new in San Diego
- The idea of an ecolodge for an urban area could help to distinguish Imperial Beach and open up a new market segment for Imperial Beach
- California has the most active wildlife watching population in the U.S.
- An Imperial Beach ecolodge could target Californians for weekend trips
- Weather in Southern California could be attractive to Northern Californians who want to wildlife watch in winter
- Families that may not be able to travel overseas to view wildlife might enjoy this option

Disadvantages

- Risks that Imperial Beach's waterfowl and water birds are not a strong enough draw for average wildlife watchers
- Imperial Beach does not have wilderness setting
- Nature programming may not be competitive enough to attract market away from significant attractions of wildlife parks and zoo in San Diego
- USFWS investment in boardwalks and interpretive program not confirmed, timing unknown
- Habitat restoration of coastal zone is still in process making area less attractive than it may be in several years
- Concept of ecolodge not well established in the U.S.
- An urban ecolodge is an untested market concept worldwide

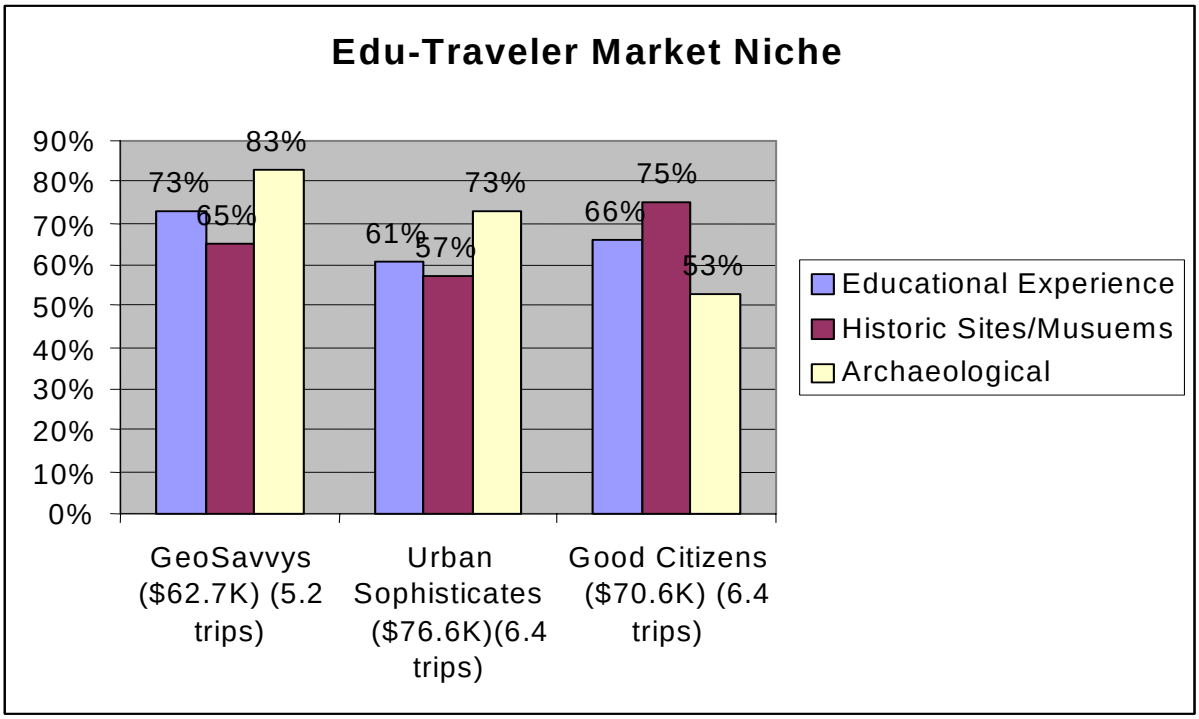
(2) Edu-Traveler Market Niche

According to a new study by National Geographic Traveler and the Travel Industry Association of America[1], there are three segments of the American travel market that are particularly interested in educational travel or (Edu-travel). These three segments share similar levels of income and a high incidence of travel. Approximately 55 million Americans, or 18% of the American population, share these characteristics. They represent more than one-third of the total number of adult Americans who have taken a least one trip in the last three years, according to this study.

The Edu-traveler market is driven by a high interest in educational experiences for the traveler and family. They are extremely likely to visit historic sites and museums and they are extremely likely to take trips to destinations that have archeological buildings and sites. They are given three descriptive titles by this study and can therefore be described under the following categories:

- Geo-savvys
- Urban Sophisticates
- Good Citizens

The following chart shows their relative interest in educational, historic, and archaeological destinations.



(a) *Demographic Factors*

The Edu-traveler has the combined characteristics of the Geo-Savvy, Urban Sophisticate, and Good Citizen. Key demographic factors for each are presented here.

Edu-traveler Demographic Factors			
	Geo-Savvy	**Urban Sophisticate**	**Good Citizen**
Gender	54% women, 46% men	60% women, 40% men	54% women, 46% men
Age groups	50% baby boomers 25% under 35 43 average age	50% baby boomers 29% women under 35 33% men over 55 45 average age	56% over 55 55 average age
Education	61% college degree 25% graduate degree	63% college degree, 25% graduate degree	63% college degree, 23% graduate degree
Occupation	32% professional	23% managerial, 32% professional	15% managerial 33% professional
Household Income	38% over 75K, 17% above $100K	46% over 75K, 24% above $100K	42% over $75K
Geographic Locations	26% Pacific region	24% Pacific region	17% Pacific region

(b) *Travel Frequency and Destination Attributes of Interest*

The Edu-traveler is a frequent traveler taking an average of 6.6 trips per year, 4.6 of which are for leisure. In additional to education travel interests, Edu-traveler sub-categories are most interested in:

Geo-travelers:

- Small-scale accommodations run by local people
- Experiencing people, lifestyles, and cultures different from their own

Urban Sophisticate

- Exploring historic and charming towns and locations
- Cultural/arts events and attractions

Good Citizen

- High levels of cleanliness
- High levels of safety and security

(c) Interests, Attitudes, and Motivations

Edu-travelers are intellectually curious, read actively, and watch television programs about history or culture. They are highly likely to watch public television and take educational classes and attend seminars or local lectures. They attend festivals, art events, visit museums and galleries, and often subscribe to season tickets for performing arts programs. Edu-travelers that are Good Citizens tend to be politically active and read news magazines.

What distinguishes these travelers is their interest in outdoor recreation (particularly Geo-Savvys). They have particularly positive attitudes about tourism; strong interest in culture, history and the arts; and a commitment to civic and arts organizations.

(d) Imperial Beach Market Projection

If Imperial Beach were to develop a cultural museum interpreting the history of the Kumeyaay Indian Tribe, the Edu-traveler would be attracted to the area, particularly if it were in close proximity to San Diego Bay. Edu-travelers would be interested in visiting the USFWS boardwalks planned for the Bayfront as well as wildlife educational exhibits and viewing stations. The edu-traveler will be much less concerned if the wildlife attractions are in an urban setting, as long as there is an interesting cultural attraction that justifies their trip to the area.

This is a large, affluent market and could be attracted to Imperial Beach. However, the prospects for attraction are mainly for day trips and this segment is not likely to stay in the City overnight.

(e) Advantages and Disadvantages of Edu-traveler Niche

Advantages

- Edu-travelers are intellectually curious, highly respectful travelers

- This is a large market niche that could be carved out of the existing San Diego traveler market base

- The Edu-travel market will respond well to any aspects of culture and arts that Imperial Beach can offer

- This is an upscale market that will seek out good restaurants, ethnic food, and be willing to pay well for it

- This market will bring a more upscale image to Imperial Beach

- This market will appreciate the urban quality of the Imperial Beach viewscape along San Diego Bay

Disadvantages

- Imperial Beach does not have the fine dining and charming atmosphere this audience is seeking at present

- A Kumeyaay museum may not be enough to attract them without developing a wide variety of restaurants, shops and other upscale amenities they enjoy

- There is substantial competition for this upscale market already in San Diego

- Imperial Beach's gateway atmosphere, strip development, and low-scale, modest look does not provide the proper atmosphere to draw this audience

- This audience will not come specifically to see Imperial Beach's wildlife

- This market will not be likely to stay overnight in Imperial Beach

(3) Birder Market Niche

(a) Total Numbers and Growth Rate

The birding market has been carefully studied over the past 20 years. The number of birdwatchers (Birders) more than doubled between 1985 and 1995 to 54 million Americans or 23% of the adult population. Since that time birding numbers declined slightly to 46 million Americans in 2001 or 20% of the total U.S. adult population.

The 2001 U.S. Fish and Wildlife Service reports used as the primary reference here broke down the total population of Birders into two subgroups, the "around the home" Birders (40 million) and the "away from home" Birders (18 million).

U.S. Birding Population			
Estimated Number of Americans Birdwatching	**% of Adult Population Birdwatching**	**Estimated Number of Adult Americans Traveling to Birdwatch**	**% of Adult Population Traveling to Birdwatch**
46 million	20%	18 million	8%

(b) Demographic Factors

- In general, Birders tend to be older or middle aged – nearly 50% are between 35 and 54 years old. Away from home Birders average 45 years old compared to around home Birders who average 50 years of age.

- Birders' incomes are distributed across all income categories. The proportion of Birders with annual incomes above $75,000 is estimated to be 5% greater than the national average.

- Birders are found in every level of education, but are 11% above the national average in the category representing 5 years or more of college education.

- An estimated 72% of Birders are married.

- With regard to gender, 54% are female and 46% male.

- Birders are by and large not found in minority groups -- 94% identify themselves as White.

Birder Demographic Factors				
Average Age of "Away from Home" Birder	**Gender**	**Minority Status**	**Income Category**	**Education Level**
45	54% Female	94% White	5 % more likely than average to be in $75K plus income group	11% more likely than average to be college educated

(c) Birders' Geographic Residences

Birders are more likely to live in rural areas. Eighteen percent of the population (20 million people) are Birders residing in metropolitan areas with populations over one million. Approximately 28% of the population (16 million people) are Birders residing in rural areas with population at or below 50,000.

Individuals from the northern half of the U.S. are more likely to be Birders. The Western North Central United States has the highest percentage of Birders per capita. This region includes the states of North and South Dakota, Nebraska, Kansas, Minnesota, Iowa, and Missouri.

Geographic Concentration of U.S. Birders				
Birders in Cities Over One Million	**Percent of Birders in Cities**	**Birders in Rural Areas (1)**	**Percent of Birders in Rural Areas(1)**	**Region with Highest Percent of Birders**
20 million	18%	16 million	28%	Western North Central

(1) Population under 50,000.

(d) Out-of-State Birders

California has the highest number of Birders in the U.S., estimated at nearly four million. Only 358,000 of California's Birders are from out of state. Only Florida has more out-of-state Birders annually than California. Arizona places third with 350,000. Texas attracts only 136,000 out-of-state Birders -- surprisingly few given its reputation for birding tourism. These numbers may reflect the number of out-of-state retirees or "snow birds" found birding in these states.

Top Three States for "Out-of-State" Birders		
Florida	**California**	**Arizona**
472,600	358,000	350,000

(e) Economic Impact of Birding

Birders generated an estimated $32 billion in revenues nationally in 2001. This estimate includes money spent for binoculars, field guides, bird food, camping gear and even boats. To estimate the possible economic impact of birding in California it is possible to apply the following figures.

Economic Impacts of "In State" Birders in California				
Estimated Number of Birders	**Expenditure Per Day**	**Expenditure Per Year**	**Total Impact Per Day Birding**	**Total Impact Per Year**
3,640,000	$35	$488	$127 million	$935 million

Economic Impacts of "Out-of-State" Birders in California				
# of Birders	**Expenditure Per Day**	**Expenditure Per Year**	**Total Impact Per Day**	**Total Impact Per Year**
358,000	$134	$488	$ 48 million	$175 million

The economics of serious Birders are quite different than the general birding population. In a survey of serious Birders based on the responses of members of the American Birding Association (who number less than 0.05% of the total number of Birders in the U.S), the average amount spent on birding in just one year was over $3,000, or more than six times the national average. This includes transportation, lodging, meals, equipment, books, entrance fees, and miscellaneous. For lodging and meals alone, serious Birders spend an average of $1,200 per year.

(f) Most Popular Birding Destinations in the U.S.

(1) Southeast Arizona
(2) Rio Grande Valley, Texas
(3) Everglades, Florida
(4) Texas Coast

(5) Cape May, New Jersey
(6) Big Bend National Park, Texas
(7) Point Reyes, California
(8) Forsythe, Brigantine National Wildlife Refuge, New Jersey
(9) High Island, Texas
(10) Hawk Mountain, Pennsylvania
(11) Cheyenne Bottoms, Kansas

These destinations each attract between 5,000 and 100,000 Birders annually.

(g) Economic Impacts of Birding in Popular Birding Destinations

- Cape May, New Jersey with 100,000 Birders visiting per year in the early 1990s saw a cumulative economic impact of $10 million.

- High Island, Texas which attracted 6,000 Birders per year in this small Gulf Coast town in the early 1990s saw direct expenditures of $2.5 million in the community for a regional cumulative impact of $6 million.

- A Hummingbird Festival in Rockport on the Texas coast resulted in $2.5 million in total gross output into the local community and contributed 73 jobs.

(h) Imperial Beach Market Projection

It might be reasonable to expect that Imperial Beach could attract 5,000 out-of-state Birders annually. Their direct economic impact would be $488 per visitor, or $2,440,000 per year. However, the actual economic impact on Imperial Beach will depend on providing goods, services, housing, lodging, and meals directly targeted at the birding community.

The key characteristics of the Birders Imperial Beach might target include:

- Women ages 50 years and above

- Retirees coming in winter from the Upper Midwest (“snowbirds”)

- Well-educated, $75K-plus in annual income

- Individuals who love nature, the beach, and may not care for golf

(i) Advantages and Disadvantages of Attracting the Birding Market Niche

Advantages

- Birding is an established market niche that is already on the rise in Imperial Beach.
- Birding in Imperial Beach will attract “snowbirds” from the Upper Midwest, the most enthusiastic birding region in the U.S, who will seek to stay for extended periods to enjoy the weather and birding.
- Birding provides an excellent shoulder and winter season market for lodging and restaurants targeted at the beach market in summer.
- Birding attracts well-educated, upper middle income visitors.
- Birding is attractive to women over 50, who are more heavily represented in the upper age groups, therefore making it a good draw for women retirees.

Disadvantages

- Imperial Beach lacks lodging or restaurants to appeal to Birders.
- Imperial Beach’s housing stock prices will not be appealing to middle class retirees on fixed incomes.
- Imperial Beach’s social climate and lack of village center may discourage newcomers.
- Imperial Beach’s lack of public transportation or facilities for retirees will be impediment to attracting snowbirds.
- Imperial Beach’s weather in winter is not as appealing as Arizona – another key birding snow bird market.

D. OVERVIEW OF RECREATION MARKET NICHES

The consultant team identified three recreation market niches and conducted research into their respective market dynamics to evaluate their potential to result in overnight hotel stays in the City. The effort culminated in a qualitative analysis of the preferences of travelers within each niche with respect to lodging, eating and drinking, and other amenities needed to attract them.

The niches identified include:

(1) Cyclist
(2) Surfer
(3) Family Overnight

Each niche is discussed in detail within this section of the report.

Generally, it was determined that neither Cyclists nor Surfers are likely to generate overnight stays in Imperial Beach. To varying extents, the City has amenities to offer to each niche. There is the Bayshore Bikeway and other trails within regional parks for cyclists and there is challenging surf for the surfers. However, in neither case is the quality and uniqueness of the amenity such that it would be the sole attraction for out-of-town visitors. The availability of cycling and surfing in Imperial Beach is, however, valuable to the City's image and each is a positive tourism amenity that may appeal to other niche travelers.

Both fishing and diving were mentioned by various stakeholders and the public during the process as potential niches. Fishing is available at the Imperial Beach Pier and, like cycling and surfing, is another amenity that can be offered to visitors. However, there is no marina in Imperial Beach to serve as a platform for deep-sea fishing and, to our knowledge, there is not an active diving group or dive school in the area. So, while each activity is possible in the City, neither are viewed as strong candidates upon which to base a tourism plan.

The Family Overnight market is a growing market and represents strong revenue potential for the City. However, the range of amenities needed to attract this segment is not currently in place in Imperial Beach. The City's beachfront, bayfront, and surrounding environmental amenities are excellent selling points for this market, but the man-made environment still requires improvement. Introduction of brand-name lodging, restaurants, and entertainment amenities are needed in the future.

EXHIBIT D-1

DESCRIPTION AND PREFERENCES OF RECREATION MARKET NICHES
URBAN WATERFRONT/ECOTOURISM STUDY
CITY OF IMPERIAL BEACH

Recreation Niches	Description	Preferences			
		Lodging	Eating & Drinking	Entertainment & Culture	Outdoor Recreation
Cyclist	Individuals or families who enjoy riding bicycles for recreation and/or participate in cycling races and other cycling events	None (unlikely to generate overnight stays)	Casual sit-down (Economical to mid-quality)	None	Biking trails (both mountain and paved)
Surfer	A diverse socio-economic cross-section of individuals who participate in the sport of surfing. They tend to live in the region and surf close to home but will travel occasionally outside the region to beaches with exceptional surf conditions	None (unlikely to generate overnight stays)	Fast Food	None	Clean surf
Family Overnight	Families from outside the region traveling together for pleasure/vacation. They seek safe comfortable lodging and access to natural amenities (e.g., beach, water)	Economy, Midscale, Extended Stay	Fast Food, National Chain, Local/ Entrepreneurial (Economical to mid-quality)	Museums, theme parks, and specialty attractions	Active land- and water-based activities

(1) Cyclist Market Niche

For the purposes of this study, a Cyclist is defined as an individual or a family that enjoys riding bicycles for recreation and/or that participates in cycling races and other cycling events. Overall, cycling participation can be split into two categories – recreational participants and those who participate in racing activities. The group of racing Cyclists is miniscule in proportion to recreational Cyclists, with only about 72,000 licensed racers in the U.S. The rate of cross participation between recreational Cyclists and racing is obviously very low, so these groups are very distinct.

Cycling is a popular activity in the U.S. According to the National Association of Sporting Goods Retailers (NASGR), cycling attracts an estimated 64 million recreational participants, ranking second behind exercise walking. Approximately 17 million bicycles are sold in the U.S. each year and since 1998, the number of recreational participants has grown by approximately 4%, inclusive of both on- and off-road cycling. The strong growth in cycling interest is particularly noteworthy because cycling is not a frequently televised event. Only camping, fishing, and tackle football have experienced higher rates of growth during that time period.

(a) Demographic Factors

With regard to the estimated 64.3 million recreational Cyclists, the demographic profile describes a group consisting mainly of college-educated adults with above-average incomes, as follows:

- 48 million of 64 million recreational Cyclists are aged 16 years and above; 14.3 million are children.
- Approximately 31 million Cyclists are described as “avid” riders who participate for reasons of health and fitness on a regular basis.
- An estimated 55% of participants are female and 45% are male.
- The median Cyclist age is 32 years.
- Median household income is strong, measuring $62,000 annually.
- Approximately 70% of Cyclists are college graduates.

Among the racing segment of the cycling population, the demographics are similar except that the activity is strongly male-dominated:

- The median participant age is 34 years.

- Median household income is over $75,000. In older age brackets, median income rises considerably.

- Over 80% of participants are college graduates, and 27% are postgraduates.

- Nearly 90% of participants are male; 11% are female.

- Over 55% are employed in professional or managerial positions.

(b) Geography and Trends

A different statistical analysis conducted for the Sporting Goods Manufacturers Association (SGMA) indicates a smaller cycling population of approximately 53.7 million, but excludes participants below the age of six years. This study indicates that the Pacific region contains an estimated eight million Cyclists, or 15.3% of the total cycling population. SGMA's definition of avid, or frequent, Cyclists are those who participate at least once each week of the year. Their study's estimate of the avid cycling population is 13.4 million, of which nearly two million reside in the Pacific region. Overall, the SGMA study indicates a decrease in cycling interest of 8% since 1998.

(c) Activities

Recreational Cyclists also participate in a number of other outdoor activities. Cross-participation, as this phenomenon is known, applies to virtually all outdoor activities in varying degrees. Approximately 63% of participants in outdoor activities participate in more than one other activity. Those who participate either in cycling, hiking, or camping are the most likely to try new activities. The most common cross-participation activities among recreational Cyclists include:

(1)	Swimming	68.1%
(2)	Walking	55.1%
(3)	Bowling	40.6%
(4)	Hiking	31.1%
(5)	Fresh Fishing	30.3%
(6)	Camping	30.2%
(7)	Basketball	28.7%
(8)	Billiards	26.8%
(9)	Run/Jogging	25.4%
(10)	In-line Skating	22.0%

Of all individuals who embark on a cycling vacation, roughly 40% also participate in some form of other outdoor activity.

(d) Prospects for Imperial Beach

Despite the popularity of cycling in the U.S. and in the Pacific region, Imperial Beach is not likely to establish itself as a travel destination for Cyclists. The quality of cycling opportunities available within the City and its surrounding environs are not, in and of themselves, attractive enough to draw overnight visitors. Rather, the Bayshore Bikeway and the network of trails in the adjacent County regional parks are viewed as valuable ancillary amenities for visitors from other tourist niches. Bike routes within the City, such as the Eco-Route Bikeway, traverse busy city streets, are not clearly marked, and lack directional signage.

Furthermore, Cyclists using the Bayshore Bikeway will no longer have to enter Imperial Beach once the Bayshore Bikeway extension is completed. The Bikeway extension will create a clear pathway around the City, thus eliminating the need for Cyclists to exit the bikeway in Imperial Beach at 13th Street and move eastward along Palm Avenue to rejoin the bikeway in Chula Vista. The proposed SR 75/Palm Avenue bike spur, which has no clear development timeline, would have provided direct entry point into the City, but was delayed for lack of funding. The positive aspect of the Bayshore Bikeway extension is that it improves the quality of the route. It will also provide a linkage with areas in Chula Vista, including the Wester Salt Works Building, Sweetwater Nature Center, and, later, the Chula Vista Bayfront development.

The City's economic benefit from the Cyclist niche is anticipated to come mainly from sales tax revenue generated from Cyclists riding the Bayshore Bikeway who venture into Imperial Beach for a meal or refreshment. At present, this niche is not considered to be strong, as the eating and drinking amenities are not yet in place to attract and facilitate them. This group would prefer casual sit-down dining establishments of economical to mid-quality with indoor, patio, or sidewalk seating. Even if such amenities were in place, the anticipated capture and resulting economic benefit is anticipated to be minimal. However, attraction of this segment is considered worthwhile for reasons of image enhancement.

(2) Surfer Market Niche

The City's beachfront is an ample expanse of white sand and surf bifurcated by a picturesque pier. Surfing is an important element of the City's culture, as evidenced by the surfboard featured in the City's logo, which proclaims "classic Southern California." The City is also home to the YMCA's Camp Surf, a beachfront youth camp which offers campers lessons in surfing and body boarding, among other activities. As the City's logo implies, most coastal cities in California are identified with surfing to varying extents, and Imperial Beach is no exception. Among San Diego County's surfers, Imperial Beach is a popular destination, noted for its challenging and unique surf conditions. However, in order to estimate the potential economic benefit that the City can garner from this niche segment, a wider perspective on the sport and local conditions must be reviewed. For this report, surfers are defined as a diverse socio-economic cross-section of individuals who participate in the sport of surfing.

(a) Surfing Demographics and Trends

Currently, there is a dearth of information on surfer demographics and travel preferences. The surfing industry has not been proactive in compiling statistics on surfing participants. Surf equipment and accessory manufacturers are just now beginning to realize the importance of consumer statistics to their business models.

Discussions with the president of the local chapter of the Surfrider Association and review of statistics provided by the Surf Industry Manufacturers Association (SIMA), an advocacy group for surfing-related businesses and manufacturers, indicated the sport is growing rapidly and appeals to a broad demographic cross-section.

- Surfing is a popular sport that appeals to a multi-faceted group of participants, particularly between the ages of 14 and 22 years. The percentage of women participating in surfing is growing rapidly, nearly doubling since 2001.

- The surfer population has grown dramatically in recent years, as the surfing culture has been embraced by the media and the entertainment industry as a skillful, exciting, and glamorous sport. Corporate America has responded with sponsorships and other forms of support. In 2003, the U.S. surfing population was estimated at approximately 2.1 million participants, an increase of 500,000 persons, or 31%, over the previous year.

- Participants tend to be young, with an average age of 19 years but approximately one-third of surfers are aged 25 years and above.

- The surf industry is a multi-billion dollar industry. Gross sales in 2002 were estimated at $3.3 billion and increased to $4.1 billion in 2003. Women, in particular, have presented marketers and surfing manufacturers with rich business opportunities because women surfers demand a broader range of sporting fashion accessories than their male counterparts.

- The growth trend in women's surfing is evidenced by the establishment of women's surfing competitions and by the opening of female-oriented surfing schools (e.g., Surf Divas Surfing School in La Jolla).

(b) *The Imperial Beach Wave*

For surfers, there are two key factors in deciding where to surf -- wave quality and accessibility. Wave quality refers to wave form and ridability. Accessibility refers to mainly to how close the location is to the surfer's location and how easily it can be visited (i.e., is the locale easy to get to either by car or by foot). The two factors combine to determine which surfing spots are worthwhile.

- Year-round wave quality in the waters off Imperial Beach is reportedly excellent. Typically, wave quality during winter months surpasses that of summer waves due to offshore winds.

- Wave sets in Imperial Beach tend to be challenging and thus inviting to experienced surfers. This is particularly true of surf in the vicinity of the Tijuana Slough/South Seacoast Drive area.

- Accessibility is considered reasonable from the standpoint of how easily and rapidly one can access the water once parked and unloaded.

- From a regional perspective accessibility refers to the relationship between surfer residence and surfing locations (beaches), as surfers tend to surf closest to their homes. This is because most die-hard surfers surf in the early morning hours, so nearby locations are preferred.

- Though Imperial Beach is regarded as a very good surfing location, it is considered too far away by many surfers. Most avid surfers reside near the beach areas from Ocean Beach northward. Those living in the inland areas tend to utilize one of these beaches.

- Currently, there is not a large surfing population residing in South Bay. However, as the South Bay area continues to grow and expand, so too will the surfing population of the South Bay. For this new population of surfers, Imperial Beach will offer excellent surf in close proximity.

- The alternative beach nearest to Imperial Beach, Coronado Beach, is not considered a good surfing spot. Shallow water and rough surf conditions combine to make Coronado a somewhat risky and unpopular surfing location.

(c) *Surfing "Shifts"*

In general, there are three surfer groups or "shifts," as they are sometimes called. For the most part, the best waves of the day are likely to occur early in the morning. So, first and second shifters enjoy the best surfing before heading off to work or school.

First Shift Dawn to 7:30 a.m.	Working professionals who rise early to get in an hour or two of surfing before work.
Second Shift 7:30 a.m. to 9:30 a.m.	Young adults/students who surf before classes, primarily the college crowd.
Third Shift 9:30 a.m. to sunset	Night workers, the party crowd, those who can't get up early enough for first two "shifts."

Surfers in the first and second shift groups are not looking for sit-down dining, instead preferring quick food (though not necessarily "fast food") and coffee in the early morning hours. Just as important, they want restrooms and rinse showers to be available at their destinations.

(d) Regional/International Surfer Market

Southern California is the birthplace of the surfing culture and is, for many surfers throughout the world, a surfing mecca popularized in films and music. It is a valued surfing location because of the rich and varied surfing opportunities and temperate climate, which allows for year-round surfing. Certainly, coastal San Diego is a major part of surfing lore, with many legendary surfers and surfing innovators to its credit, but it is not a destination on a par with more well-known Southern California surfing destinations such as Malibu, Manhattan, Hermosa, Huntington, Newport, and San Clemente beaches in Orange, Ventura, and Los Angeles counties. There is also the world-famous, Northern California big-wave destination known as Mavericks, near Half Moon Bay, and Rincon, about 70 miles north of Los Angeles. Notable local beaches might include Blacks Beach, Windansea Beach, and San Onofre.

There is not a solid database of information related to surfing travel or the quantity of surfers from abroad that visit Southern California or San Diego County each year. But the general perception of local surfers is that San Diego is not a major destination for worldwide surfing travel or as a draw for surfers from other parts of Southern California. The reasons include:

- Most surfers tend to surf as close to home as possible. However the advent of the Internet now provides most surfers with access to websites providing advanced meteorological analysis for areas throughout Southern California and the world. It is possible that if surf conditions are extraordinary in San Diego County, surfers from Orange, Ventura, and Los Angeles counties may venture down to take advantage of it, but this type of activity is minimal.

- The stigma of water contamination from urban pollutants is always a factor in Imperial Beach.

- Though surfing opportunities are plentiful in San Diego, the wave size and quality is not on a par with international surfing hot spots in Indonesia, Mexico, Costa Rica, or the Philippines.

- San Diego County is likely visited by surfers as part of their pilgrimage to tour the birthplace of surfing in Southern California. However, San Diego is not their only/final destination and these travelers are typically younger and on limited budgets.

(e) *Prospects for Imperial Beach*

Though the surf is good and popular with locals, it is not of a nature sufficient to attract overnight visitors, either foreign or domestic. The majority of surfing-related lodging is likely to be facilitated in either economy hotels/motels and/or youth hostels. In either case, the visitor volume is expected to be weak and the economic magnitude insignificant. The regional visitors who surf in Imperial Beach are an important asset to the City from an image standpoint but their economic benefits is minimal. The older professional surfers with higher incomes are not likely to utilize overnight lodging in the City and their economic benefit is also minimal due to the fact that they enter and leave the City well before normal business hours and are not inclined to spent substantial dollars in town.

The City should continue to foster a surfer-friendly environment and position itself to become the South Bay's surfing destination. The surfing identity is iconic and a positive image builder. Its potential as a draw for special events should be fully explored. However, surfing is not destined to be the cornerstone of a tourism marketing program.

(3) Family Overnight Market Niche

(a) National Trends

The Family Overnight market niche is defined as families and other households from outside the region traveling together for pleasure or vacation. For the most part, trends in the Family Overnight segment are commensurate with the U.S. leisure travel segment. Since 9/11, domestic leisure travelers throughout the U.S have gravitated toward shorter auto-oriented trips closer to home.

- Leisure travel is defined as traveling for the non-business purposes, including visiting friends/relatives, entertainment, outdoor recreations, and/or other personal reasons.

- The U.S. travel industry continues to be buoyed by the leisure travel segment. Modest growth in 2003 in leisure travel offset declines in other travel segments (e.g., general purpose travel, business travel, etc.). In 2003, gains in travel volume were almost entirely attributable to growth in the leisure travel market.

- Auto travel accounts for the majority of travel in the U.S., approximately 78%. Despite high fuel costs, auto travel increased 2.1% in 2003, while air travel declined 3.1%. Travel expenditures increased, however, due largely to the increased cost of fuel and the propensity for domestic travel by vehicle.

- Leisure travel accounts for approximately 82% of all U.S. domestic travel -- approximately 929 million person trips and 643 million household trips. Both person-trips and household-trips were up approximately 1% over the previous year.

- Approximately 25% of all household trips include children, with the majority of these trips being leisure trips, as opposed to business trips.

- Over 50% of all household trips involve lodging at a hotel, motel, or bed & breakfast facility, up 1.7% from 2002.

- The vast majority of domestic person-trips involve overnight stays. Staying with friend or relatives is a popular option (39% of overnight stays) but more than one-half of all overnight stays include a hotel, motel, or a bed and breakfast inn.

- Seventy-six percent of U.S. person-trips include at least one overnight stay and 24% are day trips. About 45% of overnight person trips are of short duration, one or two days; 38% are three to six nights; and 17% are for seven-or-more nights. The average trip duration was 4.1 days.

- Shopping is the most popular activity of a list of 20 common trip activities, cited in 33% of domestic person-trips. Other popular activities include attending a family or social event (27%), engaging in outdoor activities (11%), city/urban sightseeing (10%), rural sightseeing (10%), and going to the beach (10%). On average, travelers engage in two activities.

- Summer is the most popular season of travel, accounting for roughly one-third of all trips.

- Person-trips within the traveler's state of residence represent nearly 50% of all person-trips.

- Demographics of the traveling U.S. household differ from those of the general population with respect to education, income, and marital status. Compared with all U.S. households, traveling households tend to include a married couple with a much more substantial household income and the head of the household tends to be more educated. On average, traveling households are headed by a 47-year-old with an average household income of nearly $70,000.

- Average overnight household trip spending is $472. Thirty-one percent of travelers in this category spend more than $500 per trip.

(b) *<u>San Diego Trends</u>*

In many ways, the San Diego County lodging market tends to mirror national trends. The San Diego lodging market continues to be one of the strongest in the nation, averaging approximately 15 million visitors and $5 billion in visitor spending annually. Lodging occupancy and average rates have been relatively strong since 9/11, due mainly to the region's established popularity as a destination for in-state travelers and travelers from Western states.

- San Diego is a major destination for in-state leisure travelers arriving by car. San Diego's identity as a regional lodging market, which receives as much as 40% of its visitors from other Western states has dovetailed nicely with recent leisure travel preferences for domestic trips by car.

- Approximately 75% of leisure travelers to the region stay in hotels or motels.

- The demographic profile of overnight family/household groups visiting San Diego County is comparable to the U.S. profile (i.e., well-educated, above-average household income, householder age in mid-forties).

- The San Diego lodging market has performed relatively well -- better than most markets -- since 9/11 because of its diversified economic base, expanded convention center, proximity to major California markets, and strong leisure appeal.

- Although 2003 was a year of challenges for the lodging industry, benefiting from the presence of the Super Bowl and also suffering the adverse impacts of wildfires that raged through the County, the lodging market continues to improve basically on pace with that of the national lodging market.

- The combining factors of metered introduction of new lodging supply plus modest increases in both leisure and business travel are expected to keep San Diego's lodging market competitive and at level performance in coming periods.

(c) Niche Preferences

The Family Overnight segment seeks safe, comfortable accommodations when traveling. Familiar brand names are sought after by this segment, particularly those in close proximity to the primary trip purpose (i.e., beaches, theme parks, family). Lodging types span a wide range, from resorts to budget hotels, but mid-scale and extended stay properties are particularly attractive. Mid-scale properties, with or without food and beverage, might include such brands as Holiday Inn, Holiday Inn Express, Red Lion, Comfort Suites, Extended Stay America, or Wyndham Garden Inn.

Eating and drinking preferences fall into the economy to mid-quality range, including fast food, national chain restaurants (i.e. Applebee's, Chili's, Red Lobster, Outback Steakhouse), and family-oriented local/entrepreneurial establishments.

With respect to entertainment and recreation, this niche is attracted to museums, theme parks, and specialty attractions. With the exception of the beachfront, Imperial Beach is lacking in these types of amenities and is geographically isolated from such locations elsewhere in the County. The educational value of the natural resources in the area have not yet been integrated to a state where they are marketable to families outside the region.

(d) Prospects for Imperial Beach

Of the market niches studied in this report, this niche represents the greatest potential economic impact to the City. The typical household incomes of these travelers are strong, as are per-trip expenditures. The base of this segment is already strong regionally and Imperial Beach need only attract a fair-share portion of that base in order to realize significant economic benefit from transient occupancy tax and sales tax revenue.

The main challenge to the City and to the business community is to set the stage for attraction of this segment by providing the requisite visitor-serving infrastructure and by beautifying the City. It is primarily for this reason that attraction of this segment is considered a long-term objective, but a very achievable and worthwhile objective.

E. COMPATIBILITY OF NICHES WITH EXISTING CONDITIONS

Having defined preferences of the various ecotourist niches, a qualitative evaluation identified implications for Imperial Beach should the City choose to go after each niche.

The assessment considered:

- The local facilities and/or improvements necessary to attract each niche;
- The financial demand likely to be borne by the public and/or private sector in providing facilities and improvements; and
- The extent of physical impact on the City (i.e., would the look of Imperial Beach change significantly with the improvements).

A matrix summarizing the assessment and preliminary observations are included as Exhibits E-1 and E-2.

Generally, the demands placed by the Edu-traveler – the traveler with the highest spending potential – would be considerable. It would necessitate high City investment in public improvements (e.g., major streetscape upgrades, creation of new cultural venues, improvement of gateway aesthetics), and major investment by the private sector in quality restaurants and lodging, and it would yield a medium-to-high impact on the physical character of the City.

For those residents who want Imperial Beach to stay exactly the way it is, catering to the Edu-traveler would change things noticeably.

By contrast, the Birder market is undemanding in its expectations of the local setting, requiring primarily the presence of birds. Little or no City investment in physical facilities is required, low investment from the private sector would be required, and the impact on the physical character of the City is modest. The requirement in the case of the Birder market is primarily on programming and on the funding of a marketing program.

EXHIBIT E-1

CAPTURE IMPLICATIONS OF ECOTOURISM MARKET NICHES
URBAN WATERFRONT/ECOTOURISM STUDY
CITY OF IMPERIAL BEACH

Ecotourism Niches	Improvements Required for City to Capture Niche	Costs		Physical Impact on City	Preliminary Observations
		City Investment	Private Investment		
Edu-traveler	-- Cultural/archeological -- High quality restaurants -- Improved gateway aesthetics -- Improved streetscape in Old Palm area	High	Medium	Medium-to-High	High spending potential but niche is unlikely to be attracted without upscale lodging, first-class dining and cultural amenities Prospect are long-term.
Birder	-- Extended-stay lodging -- Prepared food availability	None	Low	Low-to-Medium	Market is poised to mature once provided with more suitable lodging and dining options. Near-term results are achievable.
Classic Ecotourist	-- Ecolodge on Bayfront -- Pristine wilderness absent urban encroachment -- Local/entrepreneurial restaurants with ethnic or California cuisine -- Experienced guides for birding walks/tours	N/A	Medium	High	Attraction of this niche is highly unlikely. Conditions necessary to attract cannot be created in the City.

EXHIBIT E-2

CAPTURE IMPLICATIONS OF RECREATION MARKET NICHES
URBAN WATERFRONT/ECOTOURISM STUDY
CITY OF IMPERIAL BEACH

Recreation Niches	Improvements Required for City to Capture Niche	Costs		Physical Impact on City	Preliminary Observations
		City Investment	Private Investment		
Cyclist	-- Improved travel linkages -- Imrpoved signage -- Improved aesthetics	Low	Low	Low	Low City investment can bring about improved visitation in the near-term, but economic benefit derived is anticipated to be minimal. Positive image builder.
Surfer	-- Additional Parking -- Restroom Facilities/showers -- Corrected sewage problems	Medium	Low	None	Niche provides City positive beach image. Spending and visitation patterns do not generate strong economic benefit. Mid- to long-term prospects are strong if sewage problems can be corrected.
Family Overnight	-- Improved lodging -- Entertainment amenities -- Improved gateway aesthetics	Medium	Medium	Medium	City ocean and bay frontages and ecological amenities are inviting to families. Improved amenities are necessary to market to this niche successfully. Prospects are mid- to long-term.

F. INTEGRATION AND SUPPORT OF AREA RESOURCES

(1) Overview of Local Regional Trail Systems and Eco-Route Bikeway

There are four principal trail systems in and around Imperial Beach. They are the Tijuana River Valley Regional Park trails, the Otay Valley Regional Park trails, the California Coastal Trail, the TRNERR trail system, the Bayshore Bikeway, and the City of Imperial Beach's Eco-Route Bikeway.

In the course of this study, it has been observed that while the California Coastal Trail and the Bayshore Bikeway are relatively fixed trail systems, most other trails are either under study or have an evolutionary nature. That is, trails are continually being evaluated for their ability to respond to public interest, respect natural resources, provide a safe and rewarding experience, and avoid public agency liability.

(2) Recommended Trail Coordination Strategy

The study makes evident the fact that the mere presence of a trail system appears to be of greater value than linkage among the various systems. While connectivity remains a highly desirable goal, is it more important that the trails themselves be created and maintained and that they be made available for a variety of users (pedestrians, Cyclists, and equestrians most notably).

The presence of the trails themselves reinforce Imperial Beach's ecotourism stature; linkages are highly desirable, but may not be broadly achievable in the short term.

The principal opportunity for linking various trail systems falls most directly onto the Eco-Route Bikeway. That bikeway provides opportunities for creating connections among all the trail systems identified. Still, as noted earlier, significant impediments to implementation of the Eco-Route Bikeway exist, not the least of which are concerns with providing a safe experience and limiting city liability.

We strongly recommend that the Ecotourism Committee established to implement the Ecotourism Strategy maintain liaison with the various agencies developing and maintaining trails, and encourage linkages as opportunities arise. At the very least, the City's encouragement for developing trail systems is likely to be highly welcomed by the many agencies involved in trail planning.

(3) Eco-Route Concept Plan

(a) Background

In the 1994 City of Imperial Beach General Plan, the Circulation Element described the concept of, and identified a course for, the Eco-Route Bikeway. The intent of the bikeway was to connect important environmental assets and community resources within Imperial Beach.

In 2001, a landscape architecture and environmental planning firm was retained by the City to elaborate on the Eco-Route Concept. The plan that resulted proposed a slightly modified route, identified specific destinations and points of interest, and made recommendations for signage and site improvements.

The 2001 route runs entirely within Imperial Beach. It forms a loop that extends as far south as the Tijuana Slough National Wildlife Preserve Overlook, as far north as the southern edge of San Diego Bay, as far east as Veteran's Park, and as far west as Seacoast Drive. The route depicted in the 2001 proposal goes along city streets, park areas, and on dedicated bike paths, although not all of the route can actually be used by Cyclists. Portions are not built and all of it is unmarked.

There are several logical points from which to begin the Eco-Route, but the path is connected in such a way that Cyclists can begin their ride anywhere on the route and still complete it. In addition, Cyclists are presented with options to vary the paths they choose to take.

The likelihood of creating a formal Eco-Route along the path described may be problematic for a number of reasons, although safety is the principal one. Streets vary dramatically in width and there may not be sufficient space to create a bike lane. Curbside parking - which can interfere with Cyclists - is generally permitted, and many of the streets are heavily traveled by motor vehicles.

To implement an Eco-Route concept, a number of short-term actions are recommended. However, even before they are considered, it is important for the City attorney to consider the significance of any liability issues that may be associated with City participation in creating a bikeway along arterial streets.

(b) Rerouting Recommendations

Although the route identified by the General Plan relies primarily on existing streets, some physical improvements and modifications to the proposed route are necessary to complete the linkages and implement a feasible route.

- The 2001 report recommends connecting the Imperial Beach Sports Park to Grove Avenue, which would require a new biking trail be constructed through the Tijuana River Estuary and into the park. Two alternatives that link Grove Avenue, the Sports Park, and Tijuana Estuary Visitors Center without constructing a new bike path include:

  (1) Negotiate with the Tijuana River Nature Estuarine Research Reserve to allow bikes to use existing foot trails that link to the Tijuana Estuary Visitor Center and Caspian Way.

  (2) Modify the route to bypass Grove Avenue and extend up to Imperial Beach Boulevard.

- Change the route to Veteran's Park. The 2001 plan modifies the General Plan by connecting the park to 7th Street using Encina Avenue. Since a segment of Encina Avenue is a one-way street, Cyclists would be required to ride against traffic when accessing 7th Street from the park. The recommended alternative is to reroute the path to link 7th Street to Elm Avenue and 8th Street.

- The 2001 plan identifies a southwest connection between Veteran's Park and Connecticut Street using Elkwood Avenue. Like a portion of Encina Avenue, Elkwood Avenue is a one-way street. The recommended alternative is to link the park and Connecticut Street via Imperial Beach Boulevard.

- Produce a map identifying the Eco-Route and distribute to bicyclists.

- Consider modifications to the Eco-Route Bikeway when new and compatible destinations and points of interest are identified.

- Consider modifying the Eco-Route when street improvements are made that allow for the addition of Class I or II bikeways, and that can be linked to existing routes.

(c) *<u>Signage Recommendations</u>*

Three different types of signs are recommended. Each sign type could have its own distinctive shape and graphic:

- Identification Signs – which identifying the route and adjacent connections.

- Bike Crossing Signs – which alert motorists to the adjacent bicyclist.

- Interpretive Signs - which provide information about points of interest.

Within Imperial Beach itself, interpretive signage is most appropriate at the three “landmark” sites that are on the bike route. These three areas are:

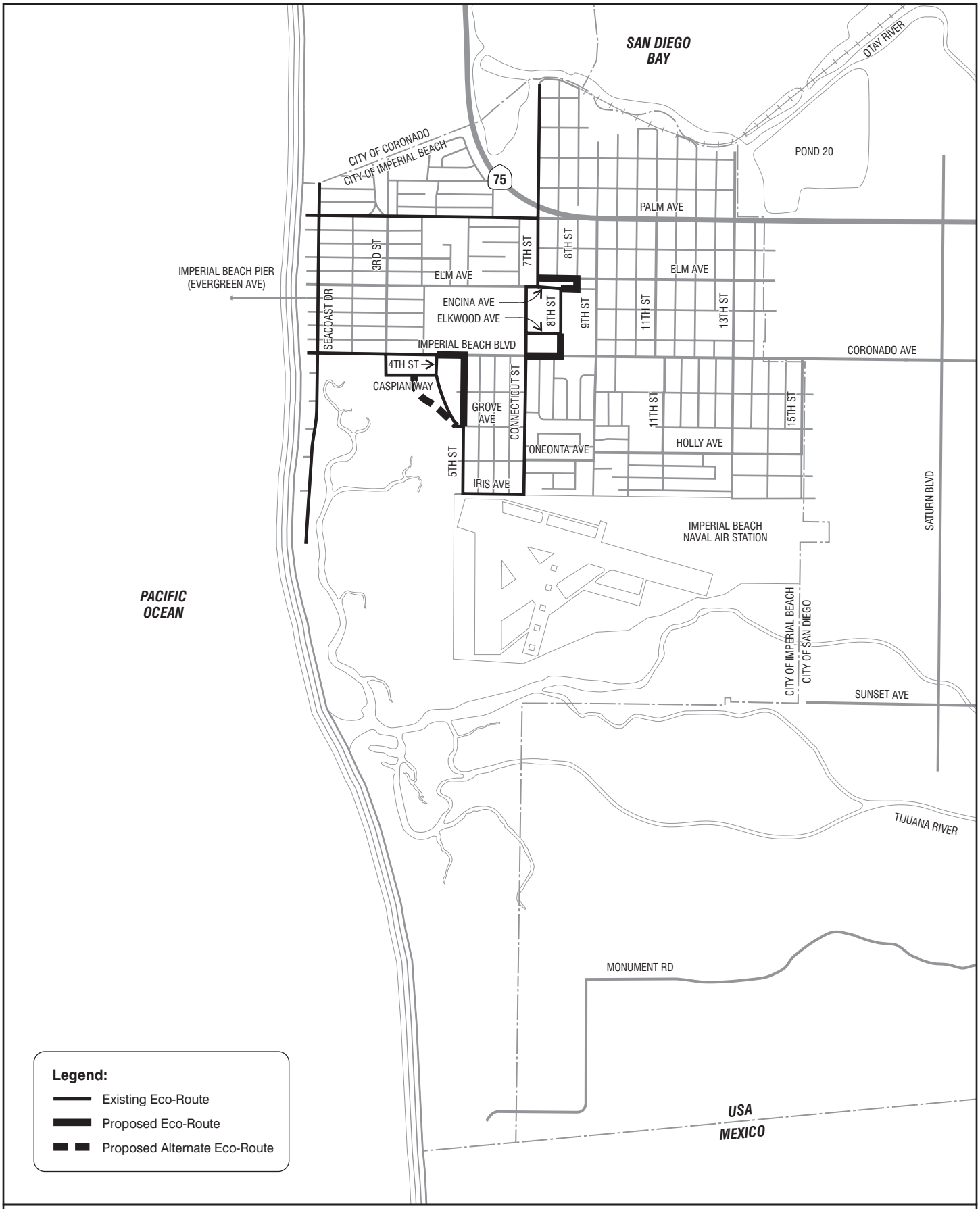
- At Imperial Beach Pier,
- At the Bayfront Bikeway connection from North 7th Street, and
- At the access point to the Tijuana River Estuary.

Past study efforts have also identified the Palm Avenue street end as a key location for signage.

It is strongly recommended that alternate routes be investigated and agreed-upon before installing permanent signs marking the bikeway.

(d) *Site Improvement Recommendations*

- The addition of a “line” painted on the pavement would provide users with a clear sense of direction. The line may also include graphic images such as the classic beach cruiser as a fun identification symbol.
- Although the majority of the Eco-Route streets are identified as Class II bike lanes in the General Plan, *none of the streets* actually have bike lane markings. Moreover, in most cases there is not sufficient room within the right of way to add the markings. Improvements to the curb lane width is possible when streets are widened or when re-surfacing or re-striping is done. As an alternative, the City should consider reclassification of Class II bike lanes as Class III bike route where adding a bike lane is not feasible.
- Any portion of city streets that are shared by bikes and vehicles should be clearly marked indicating the presence of Cyclists.
- Bicycle parking should be added at points of interest and at termination points of the bike route.



North
No Scale - 03.30.05

Exhibit F-1
Eco-Route Bikeway
Urban Waterfront & Ecotourism Study