



State of Hospitality and Tourism

UPDATE

JOBS AND ECONOMIC DEVELOPMENT COMMITTEE
APRIL 1, 2024

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Agenda

- ◀ **Charlotte's Hospitality and Tourism Industry**
- ◀ **City's Policy Update**
 - Update on Hospitality and Tourism Funds
 - Review current and future projects
- ◀ **Events and Venues**

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Charlotte's Hospitality & Tourism Industry

- ◀ Leisure and Hospitality is the region's fourth largest industry sector
 - Employed 1 out of every 9 residents
 - Generated \$7.3B in direct visitor spending and \$223M in local sales tax revenue
 - Generated over \$1B in hotel revenue

- ◀ Nearly 31 million visitors came to the Charlotte region
 - 13.5M in overnight stays

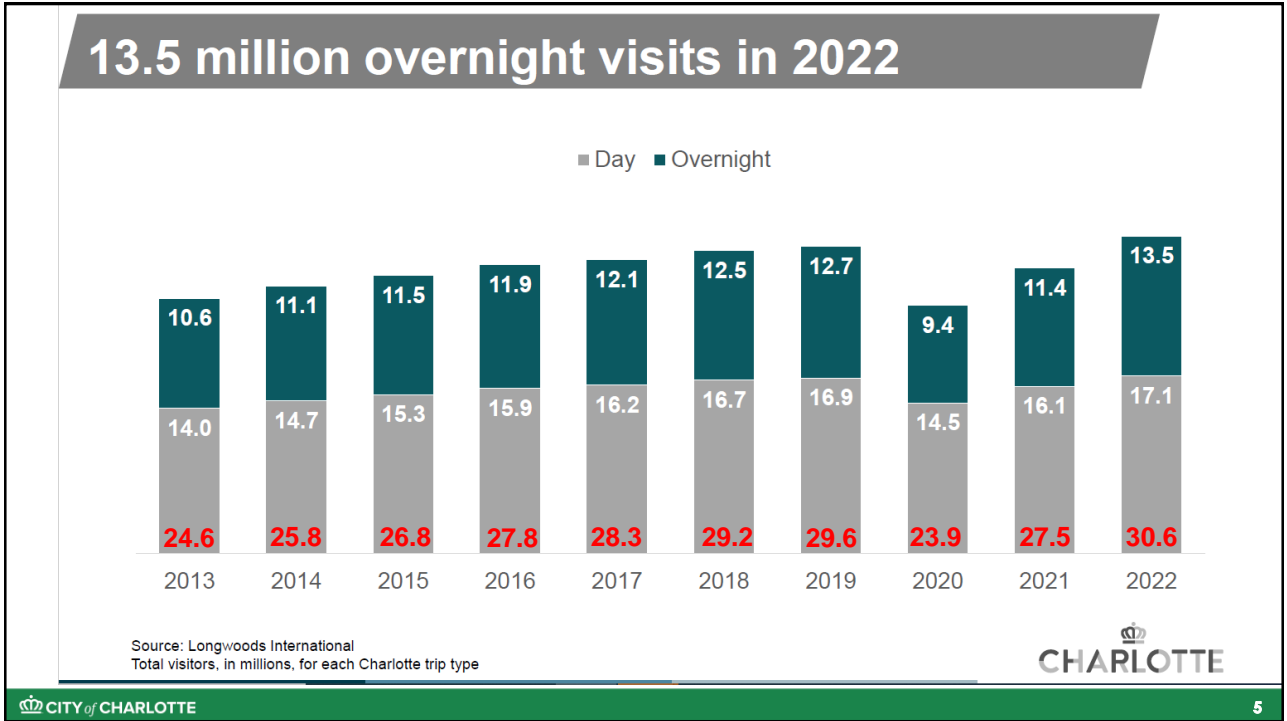
- ◀ Four of the top ten highest visitor days ever occurred in 2022/2023

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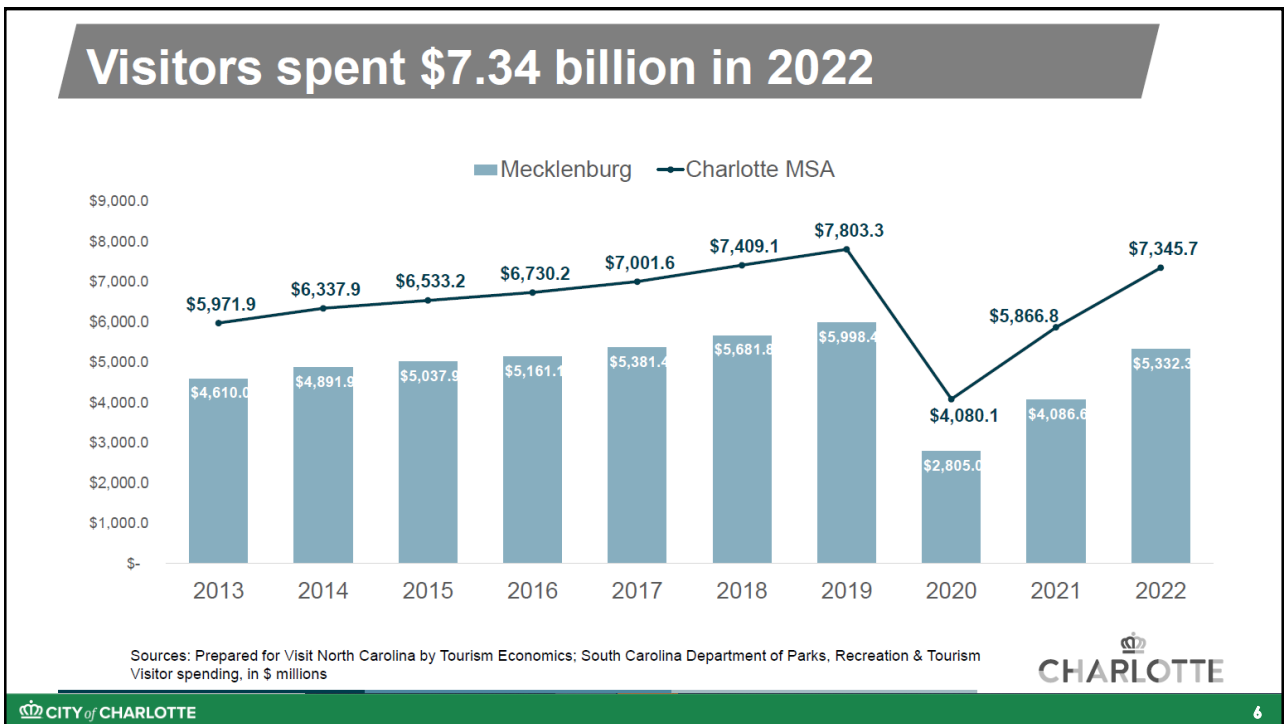
Hospitality and Tourism Industry in Mecklenburg County
 (Actual Figures for FY 1995, FY 2015, FY 2019, FY 2021, FY 2022, FY 2023, and projections for 2025)

| | 1995 actual | 2015 actual | 2019 actual | 2021 actual | 2022 actual | 2023 actual | 2025 projections |
|----------------------------|----------------|-----------------|------------------|-----------------|-----------------|----------------|---------------------|
| Industry's Economic Impact | \$1 Billion | \$5 Billion + | \$5.95 Billion + | \$4.5 Billion | \$6.9 Billion | \$7.8 Billion | \$8.6 Billion+ |
| Sales Tax Revenue Impact | \$60 Million | \$363 Million | \$445 Million | \$230 Million | \$510 Million | \$585 Million | \$624 Million |
| Employment Impact | 30,000 | 60,000 | 85,000 | 65,000 | 75,000 | 90,000 | 120,000 |
| Room Revenue | \$174 Million | \$647 Million | \$806.2 Million | \$395.9 Million | \$704.9 Million | \$1.01 Billion | \$1.2 Billion |
| 8% Occupancy Taxes Revenue | \$10.4 Million | \$51.76 Million | \$64.5 Million | \$31.7 Million | \$56.4 Million | \$80.2 Million | \$88.4 Million |
| Food & Beverage Revenues | \$807 Million | \$2.92 Billion | \$3.66 Billion | \$3.3 Billion | \$4.03 Billion | \$5.12 Billion | \$5.6 Billion |
| 1% Food & Bev. Tax Revenue | \$8.07 Million | \$29.2 Million | \$36.6 Million | \$33.1 Million | \$40.3 Million | \$51.2 Million | \$56.2 Million |

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Policy Update

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Hospitality Revenues

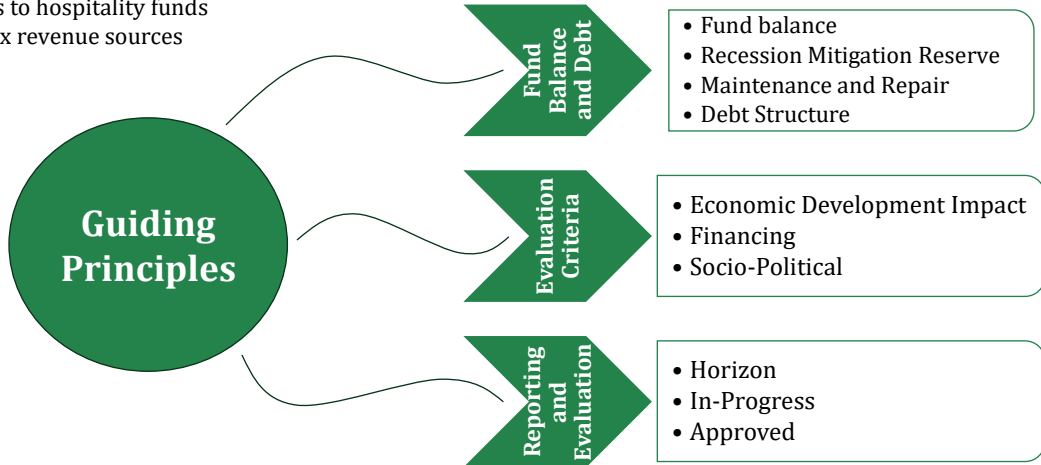
◀ Hospitality Revenues (\$M)

| Fund | Tax Revenue | Use | FY2023 Actuals | FY2024 Budget |
|--------------------------|---|--|----------------|---------------|
| Convention Center | Prepared Food & Beverage 1% | Convention Center Facility, convention and visitor promotion, hospitality/tourism marketing, amateur sports facilities and stadiums over 60,000 seats | \$49.6 | \$46.9 |
| | Occupancy 3% | | \$30.1 | \$30.3 |
| Tourism | Occupancy 3% | Marketing and visitor promotion, program and events that will generate visitors, and the construction and maintenance of facilities such as convention centers, civic centers, auditoriums and museums | \$24.9 | \$24.2 |
| | Rental Car 1.5% | | \$4.8 | \$4.6 |
| | PAYGO Transfer (U-Drive It Equivalent 4%) | | \$12.3 | \$12.0 |
| NASCAR HOF | Occupancy 2% | Constructing and maintenance of the NASCAR Hall of Fame, the NASCAR Hall of Fame/Convention Center Crown Ballroom, and parking facilities | \$20.0 | \$20.0 |

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Comprehensive Policy

Approved by Council in 2021
 • Applies to hospitality funds with tax revenue sources



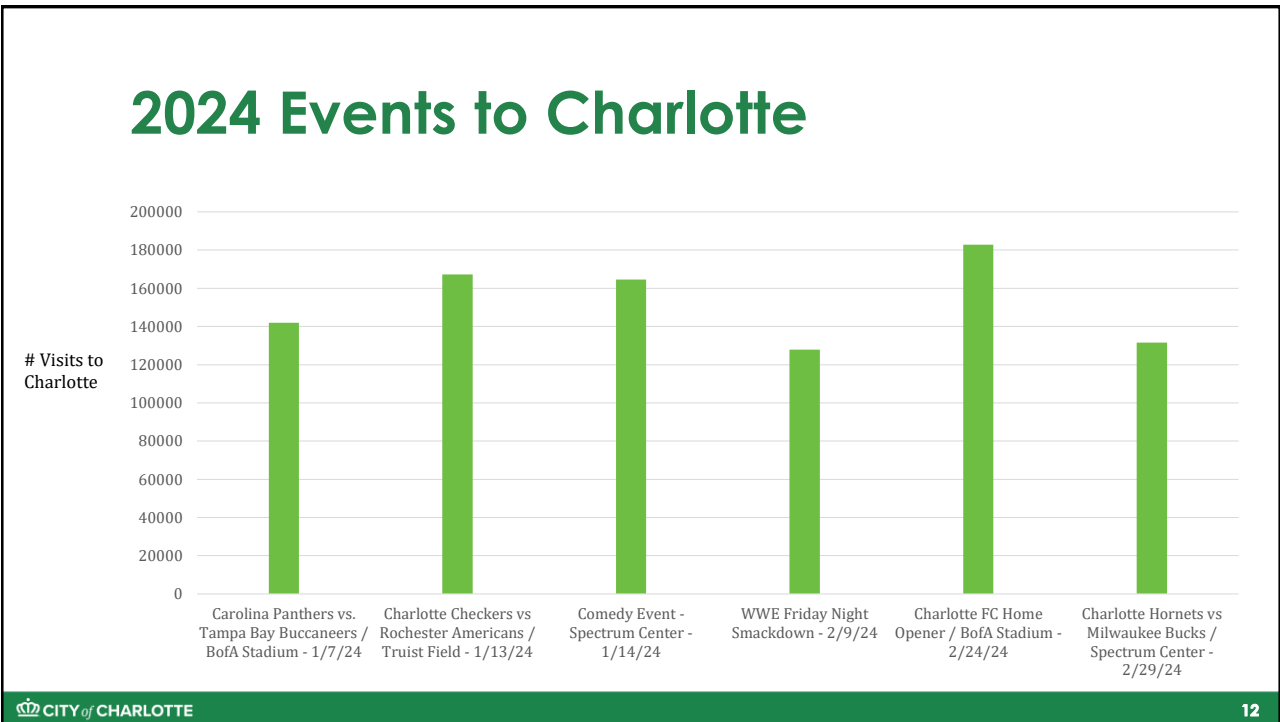
Hospitality Projects: In Process (\$M)

| Project | Approved | Total Funding | Spent to Date * | Encumbered to Date * | Remaining |
|--|--------------------------|---------------|-----------------|----------------------|-----------|
| Spectrum Center – Improvements and repairs | June 2022 and March 2024 | \$245.0 | \$7.1 | \$12.8 | \$225.1 |
| Practice Facility Development | March 2024 | \$30.0 | \$0.0 | \$0.0 | \$30.0 |

* Unaudited as of February 2024

Events and Venues

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Events Impact

| Event | Attendance | Hotel Demand | Direct Spending | Total Economic Impact | Local Taxes |
|---------------------------|------------|--------------|-----------------|-----------------------|-------------|
| ACC Football Championship | 62,314 | 24,332 | \$17.1M | \$31.8M | \$990,000 |
| Duke's Mayo Bowl | 42,295 | 19,046 | \$9.4M | \$17.5M | \$550,000 |
| Duke's Mayo Classic | 68,723 | 20,128 | \$12.9M | \$23.9M | \$758,000 |
| Jumpman Invitational | 17,056 | 4,700 | \$2.1M | \$4.0M | \$122,000 |

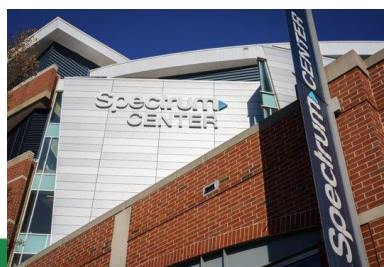
Events Impact

- ◀ **Top 10 days for the highest number of Uptown visits between January – February 2024 are primarily related to the wide-ranging events at sports and tourism venues.**
- ◀ **During the peak days for Uptown, the number of visits averages more than 96,000 visits beyond the typical day**
- ◀ **Over the past three years, the number of visits into Uptown between January and March 2023 has increased 107%**

Venues – Spectrum Arena

A year in review

- \$376 million in total economic impact
- \$275 million public investment extends lease to 2045
- +100 events annually
- 3,232 permanent jobs created



Venues - Discovery Place

A year in review

- Discovery Place Science: 382,507 visitors
 - (681,821 total visits for all four venues)
 - 90% pre-pandemic levels
- Facility is more than 40 years old
- Occupies two city blocks



Venues – Convention Center

A year in review

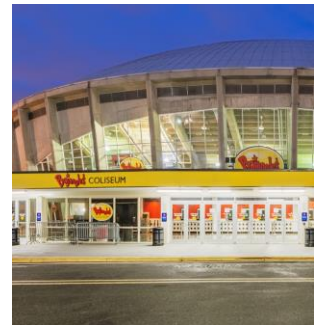
- \$91.9 million in total economic impact
- \$19.2 million in direct visitor spending
- 413,400 attendance
- \$27.2 million total revenue
- 374 total events



Venues – Boplex – Coliseum & Ovens

A year in review

- \$31.8 million in total economic impact
- \$19.2 million in direct visitor spending
- 404,766 attendance
- \$4.9 million in concessions and catering sales
- +17 returning acts



Venues – NASCAR Hall of Fame

A year in review

- \$61.1 million in total economic impact
- \$36.3 million in direct visitor spending
- 184,000+ attendance
- 500 miles traveled on average to visit
- 62% of guests stayed overnight in Charlotte
- \$888 average per party spend



Venues - Mint Museum

A year in review

- \$49.8 million in total economic impact
- 19.1 million in direct spend
- 211,467 overall admissions
- 21,310 hotel stays



Venues – Quail Hallow President's Cup & Wells Fargo Championship

2022 Presidents Cup

- ◀ \$131.5 million in total economic impact
- ◀ 200,000 attendees
- ◀ \$79.8 in direct spending
- ◀ 71% traveled from outside the region

Wells Fargo Championship

- ◀ \$77.5 million in total economic impact
- ◀ 200,000 attendees
- ◀ \$42.9 in direct spending
- ◀ \$4.8 million in state and local tax impact



WELLS FARGO
CHAMPIONSHIP

Venues - Bank of America Stadium

A year in review

- Evolved to a year around event venue
- \$1.1B economic impact
- Sold more than 1.85 million tickets in 2023
- 9,111 permanent jobs for MSA
- \$54.3 million generated in state & local taxes



Conclusion

- ◀ Incremental sales and tax revenues collected through hospitality and tourism (hotel occupancy, rental car and prepared food & beverage) go to support these events and venues.
- ◀ By state statute, revenues collected must be invested in hospitality and tourism events and venues
- ◀ Investments support more than 1 and 9 residents who are employed in the industry, local businesses and future tax revenues supporting our community
- ◀ Attendance and economic impact continue to grow across the board, pointing towards continued investments in events and venues

Questions?