



Hospitality & Tourism Overview

Charlotte City Council

May 14, 2018

Presentation Purpose

- Role of hospitality and tourism investments in growing jobs and economic impact
- Explain hospitality and tourism tax revenues, expenditures, and restricted uses
- Discuss current and potential, future hospitality and tourism investments

Charlotte's Visitor Economy

- Region has over 26 million visitors annually
- Visitors spend \$6.5 billion in the region, including \$5 billion in Mecklenburg County alone
- More than 124,000 jobs in the hospitality and leisure sector, with direct visitor spending supporting 63,000 of those jobs
- One in nine people in Charlotte work in the hospitality and leisure sector

Tourism Tax Overview

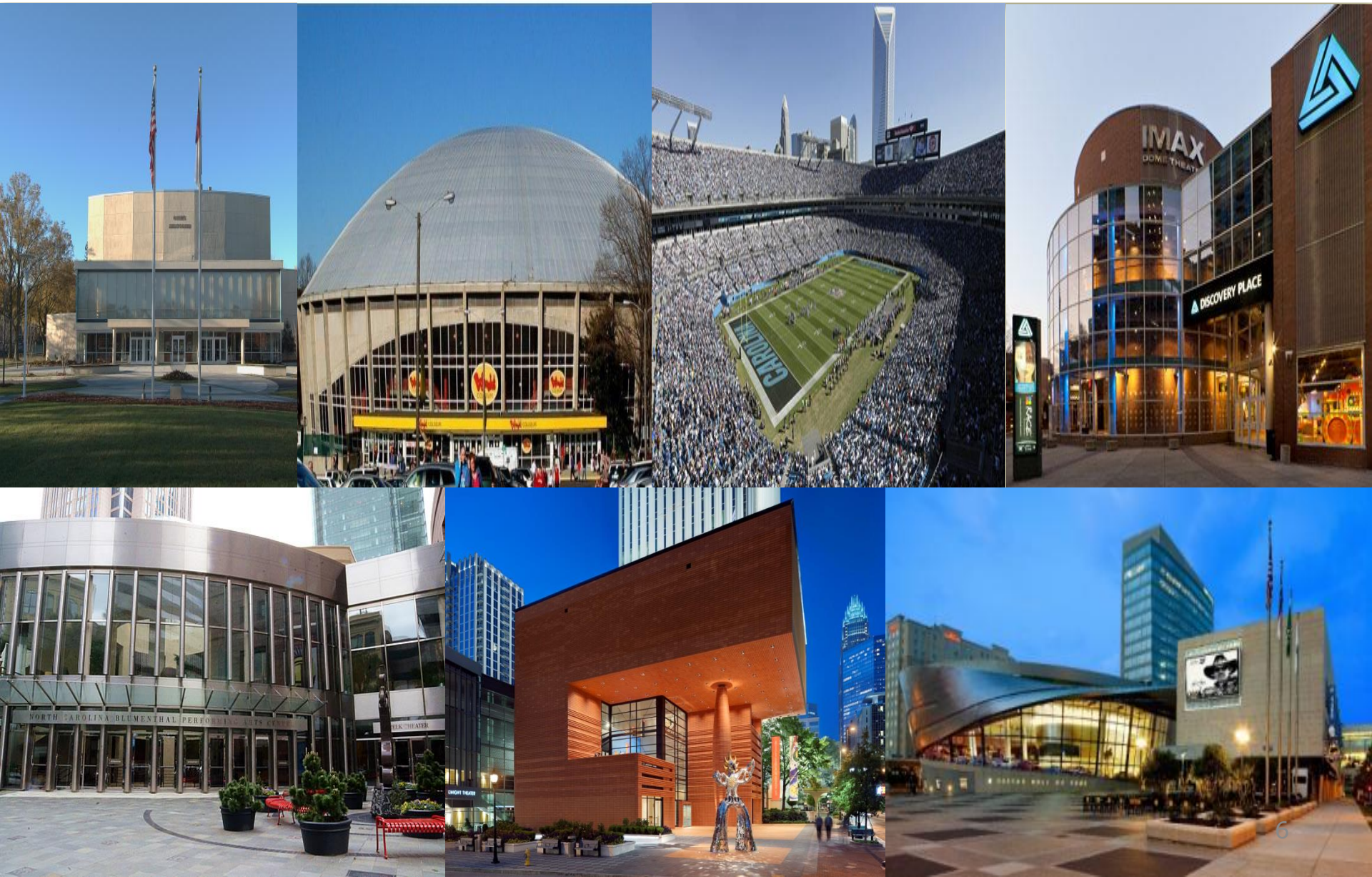
- Why have Hospitality and Tourism taxes?
 - Supports jobs and economy
 - Avoids using General Fund revenues to support tourism related activities
 - Historically strong support from Hospitality and Tourism industry where these taxes are tied to supporting and advancing the City's tourism economy
- Strong return on investment:
 - A recent study of "Charlotte's Got a Lot!" marketing campaign showed that every dollar spent in advertising resulted in \$115 in spending with Charlotte area businesses and produces \$6 in tax collections

Hospitality and Tourism Funding “Buckets”

Four “buckets” fund Hospitality and Tourism projects with various use limitations

- **Tourism I Fund (3% Occupancy, 1.5% Rental Car)**
 - marketing and visitor promotion, cultural and sports facilities debt service and maintenance
- **Tourism II Fund (4% Rental Car Tax Equivalent)**
 - cultural facilities & maintenance
- **Convention Center Fund (3% Occupancy, 1% Food & Beverage)**
 - convention marketing and promotion, convention center, amateur sports, and Bank of America Stadium
- **NASCAR Hall of Fame Complex Fund (2% Occupancy)**
 - acquisition, construction, debt service, maintenance and repair

Hospitality and Tourism assets that contribute to sports, cultural, and visitor economy





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Tourism Uses/Restrictions

Funding Source	Year Enacted	Uses/Restrictions
Tourism I (3% Occupancy Tax & 1.5% Rental Car Tax)	1985	<ul style="list-style-type: none"> • Capital and/or refurbishment of Spectrum Center, BB&T Ball Park, Discovery Place, Blumenthal, and other tourism and cultural related assets • Activities and programs to encourage leisure visitor promotions
Tourism II (4% Rental Car Tax)	2007	<ul style="list-style-type: none"> • Capital maintenance, repair and/or refurbishment of City-owned cultural and arts facilities, including Levine Center for the Arts Campus, Discovery Place, Blumenthal, and other tourism assets
Convention Center (3% Occupancy Tax & 1% Food & Beverage Tax)	1993 Amended 2013	<ul style="list-style-type: none"> • Capital maintenance, repair and refurbishment of the Charlotte Convention Center, Bank of America Stadium, and amateur sports infrastructure • Activities and programs to encourage convention visitor promotions
NASCAR Hall of Fame Complex (2% Occupancy Tax)	2006	<ul style="list-style-type: none"> • For capital maintenance, repair and refurbishment of the NASCAR Hall of Fame and Convention Center Ballroom



Potential Future Hospitality and Tourism Investments*

Funding Source	Targeted Projects Over next 5 Years (FY)
Tourism I	<ul style="list-style-type: none">• Discovery Place upgrade/expansion (2023)• Spectrum Center upgrades (2020-2024)• Blumenthal Performing Arts Center upgrades/expansion (split Tourism I and II; 2020-2022)• Memorial Stadium Field (2021)
Tourism II	<ul style="list-style-type: none">• Blumenthal Performing Arts Center upgrades/expansion (split Tourism I and II; 2020-2022)• Additional Levine Center annual maintenance (2019-2023)
Convention Center	<ul style="list-style-type: none">• Convention Center upgrades/hotel partnership (2019-Phase II)• UNC Charlotte Conference Center partnership (2020)• Amateur Sports partnerships (2021-2023)• Bank of America Stadium upgrades (current contract expires June 30, 2023)
NASCAR Hall of Fame Complex	<ul style="list-style-type: none">• Facility and exhibit upgrades (2020-2023)

*Excludes projects already committed

Summary

- Hospitality/tourism/cultural sector is an important economic engine for Charlotte and the region
- Hospitality and tourism taxes are used to attract visitors and catalyze investment, jobs, and economic growth
- Important for future investments to be strategic, proactive, and keep us ahead of our competitor cities