



Charlotte City Council
Jobs & Economic Development Committee
Summary
April 1, 2024

COMMITTEE AGENDA TOPICS

- I. Performance Management Framework
- II. State of Hospitality and Tourism

COMMITTEE INFORMATION

Committee Members Present:	Malcolm Graham (CMGC), James Mitchell (CMGC), Ed Driggs (CMGC), Marjorie Molina (CMGC), and Tariq Bokhari (Virtual)
Other Council Members Present:	Mayor Pro Tem Danté Anderson (Virtual), LaWana Mayfield (CMGC)
Staff Resources:	Tracy Dodson, City Manager’s Office; Julia Martin, City Manager’s Office; Andrew Bowen, I&T; Teresa Smith, Chief Financial Officer; Matt Hastedt, City Treasurer; Reenie Askew (Virtual), City Manager’s Office
Guests:	Vinay Patel, SREE Hotels and CRVA Chairman
Meeting Duration:	12:00p.m.-1:30p.m.

MEETING MATERIALS

All meeting materials are available online at <https://charlottenc.legistar.com> or viewed online at <https://www.youtube.com/watch?v=z0J5S0StKh0>

- 1) April 1, 2024 Agenda
- 2) Presentation: Performance Management Framework
- 3) Presentation: State of Hospitality and Tourism

DISCUSSION HIGHLIGHTS

Council member Graham called the meeting to order, asked everyone to introduce themselves, and provided an overview of the agenda. He suggested that the agenda items be switched and to start with State of Hospitality and Tourism followed by Performance Management Framework.

State of Hospitality and Tourism

Staff provided an overview of industry data as well as provided updates of the City's Hospitality funds and reviewed current and future projects.

Ms. Dodson spoke about:

- Leisure and Hospitality being the region's fourth largest industry sector which 1 out of 9 residents are employed.
- Four of the top ten highest visitor days occurred in 2022/2023, 13.5 million overnight visits just in 2022 with visitors spending 7.34 billion dollars.
- Tourism projects investments such as the Convention Center, Boplex, UNC Charlotte Hotel and Marriott and Convention Space, and Golf at Quail Hollow and the economic impact of these projects.
- Ms. Dodson also gave some stats on current events specific to uptown for 2024 and some events from 2023 such as ACC Football, Duke Mayo Bowl and Classic, and Jumpman Invitational and their hotel demand.
- She also gave stats (some were from 2022 and 2023) on City venues and their economic impact, direct visitor spending, and attendance.

Mr. Patel gave insight about:

- The importance of the hospitality and tourism industry, coming out of Covid, and how the rebound from Covid in Charlotte has been directly related to hospitality and leisure.
- The benefits of having multiply events happening simultaneously and the positive impact that has on the entire city.

Ms. Smith spoke about:

- Tax related revenues and the 3 Hospitality buckets: Convention Center, Tourism, and NASCAR HOF and each of their uses according to the current statues along with the FY2023 actuals and FY2024 budget numbers.
- Hospitality Revenue Capital Investment Policy and the guiding principles to help with the investment decision making process. This is divided into three buckets: Fund balance and debt, evaluation criteria, and reporting and evaluation.
- Hospitality projects in process: Spectrum Center improvements and repairs, Practice Enhancement Center (PEC), and Carolina Theatre

Questions from Council Members:

- Mayor Pro Tem asked about Horizon projects. Ms. Dodson answered with The Discovery Place uptown, Bank of America Stadium, and Eastland for now.
- Mr. Driggs questioned who is the issuer for the debt of the investments and are they strictly revenue bonds or is there recourse to the City for payment? Ms. Smith answered that the City of Charlotte by way of the New Charlotte Corporation is the issuer, and they use Certificates of Participation (COP) that are asset-backed.

- Mr. Mitchell wanted to be given at a later time, information on how many rent-free days we have with each City owned facility and Ms. Mayfield wanted to know who has access to these facilities. It was clarified that it is rent-free dates, there is still a responsibility for operating cost.

Performance Management Framework

Staff provided Committee with an overview of proposed performance objectives based on Council's discussions at the 2024 retreat on performance management framework and defining success for Workforce and Business Development.

Ms. Martin and Mr. Bowen spoke about:

- Leveraging existing measures where possible, for example, looking at the Comprehensive Plan while differentiating between "city" and "community" measures. Along with understanding how measures relate to policy goals and identifying gaps and areas for refinement.
- Spoke about the policy goals and objectives. Policy goals included 10-Minute Neighborhoods, Diverse and Resilient Economic Opportunity and CBI policy.
- They also spoke about measures used which included: public wi-fi, proximity to financial services, city wide spend with MWSBE's, and annual apprentices placed in city jobs to name a few.
- They closed with next steps which included identifying target measures, refine performance measures, address gaps in measurement, data collection, and automation of reporting, develop back-end data processes, and build public-reporting infrastructure.

Questions from Council Members:

- Mr. Driggs wanted to know if we had any goals to broaden apprenticeships out to the private sector. Ms. Martin answered that they just used the city apprenticeships as a measure because they knew that information, they will look to grow those numbers. To look at it on a wider level, they are not sure how available that information is on a timely basis to report out.
- Ms. Molina had questions around what tool, if any, will be used to get these measures. Mr. Bowen answered that this will be a stand-alone tool for the first iteration. They are going to gather all the data and work with CCM to understand how to best present the information.

Next Meeting

The next meeting is scheduled for May 6, 2024.

The meeting adjourned at approximately 1:28pm.



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**

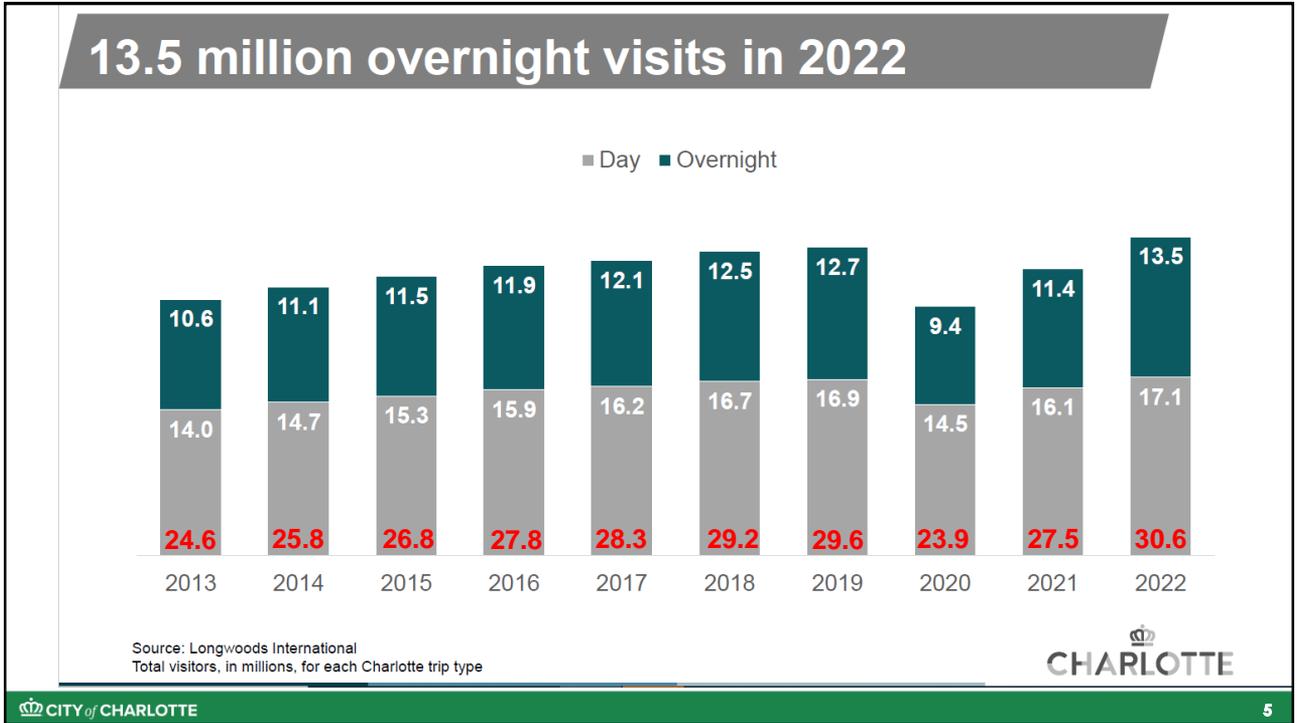
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Charlotte's Hospitality & Tourism Industry

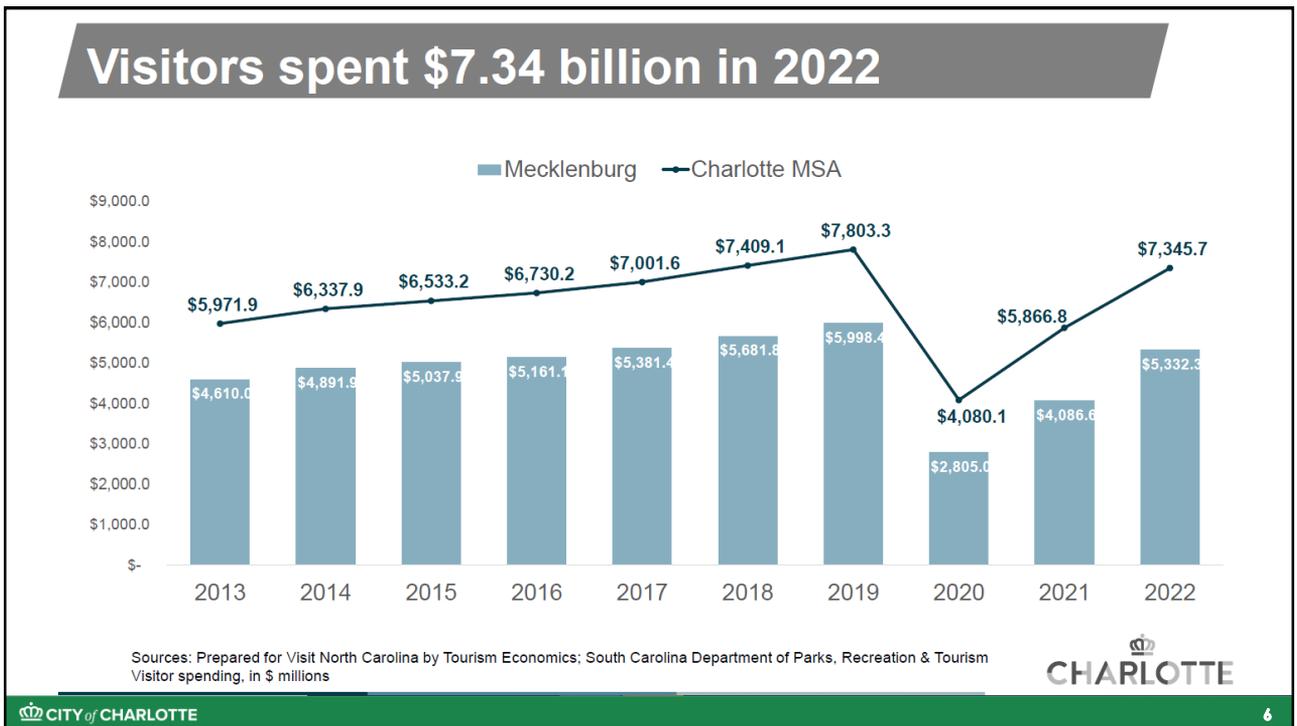
- ◀ Leisure and Hospitality is the region's fourth largest industry sector
 - Employed 1 out of every 9 residents
 - Generated \$7.3B in direct visitor spending and \$223M in local sales tax revenue
 - Generated over \$1B in hotel revenue
- ◀ Nearly 31 million visitors came to the Charlotte region
 - 13.5M in overnight stays
- ◀ Four of the top ten highest visitor days ever occurred in 2022/2023

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

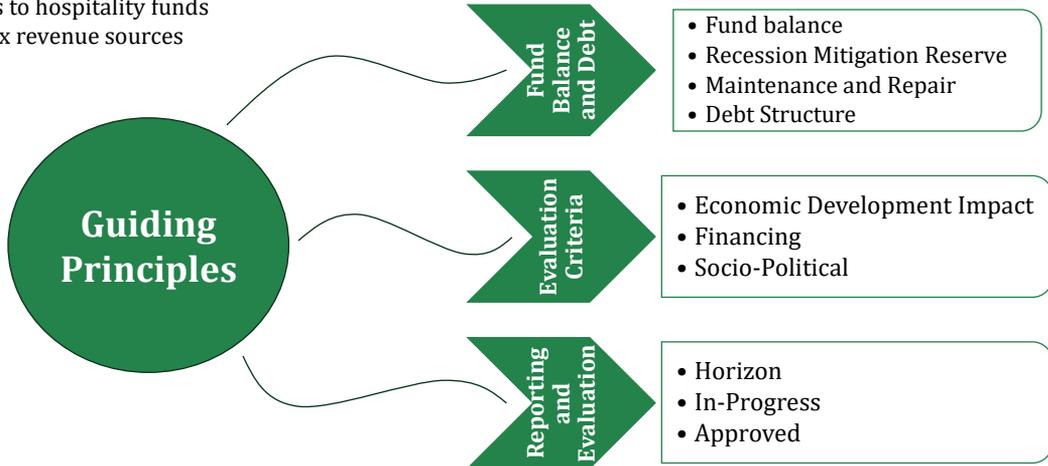
◀ Hospitality Revenues (\$M)

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



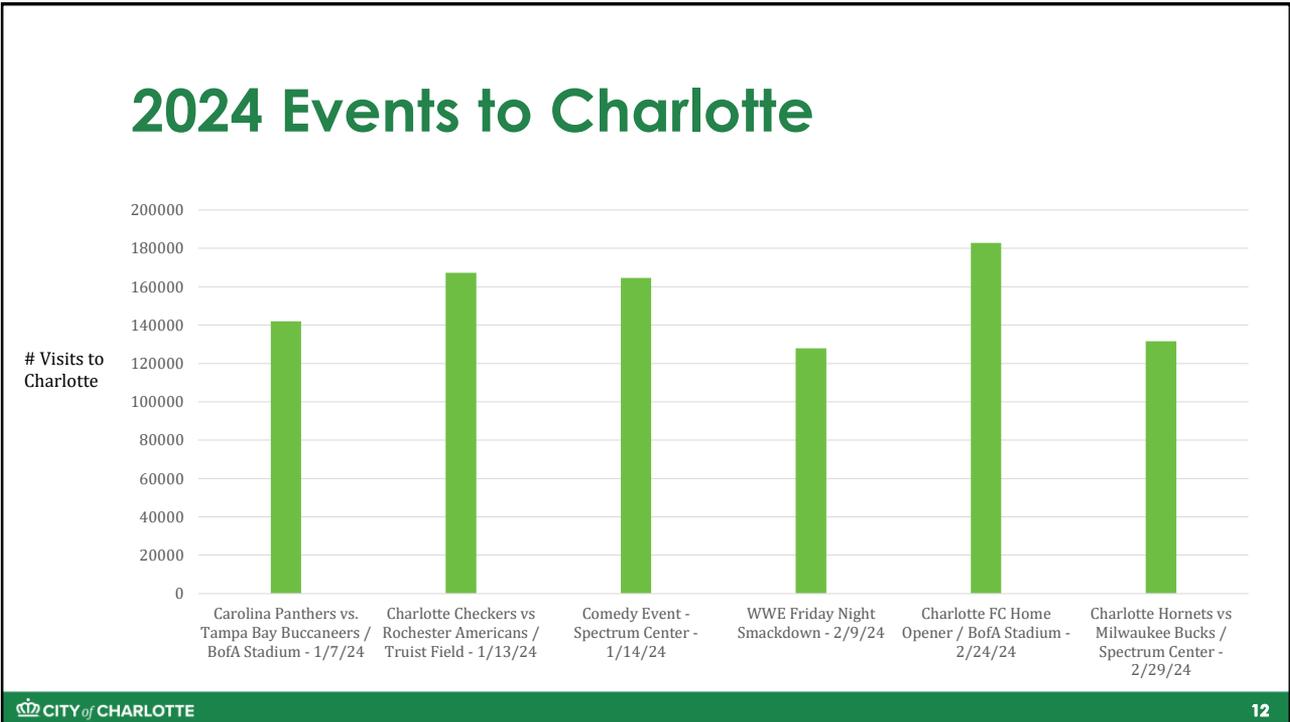
Hospitality Projects: In Process (\$M)

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

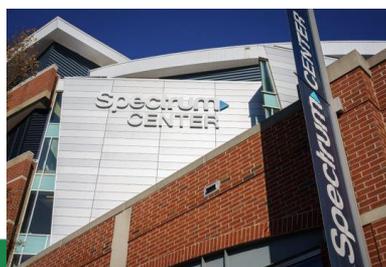
Events Impact

- ◀ **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

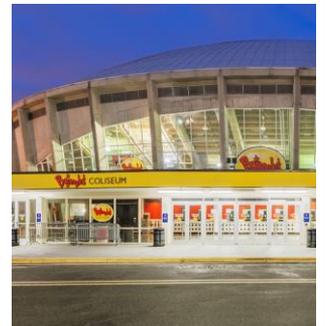
- \$91.9 million in total economic impact
- \$19.2 million in direct visitor spending
- 413,400 attendance
- \$27.2 million total revenue
- 374 total events



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?

Performance Management Framework

APRIL 2024

1

Today's Objective

◀ Review performance measures associated with Council's selected policy goals and objectives

- *Seeking committee feedback*

◀ Discuss

- Staff process for identifying performance measures
- Areas where committee input/direction is needed

2

Reminder

◀ January

- Council selected policy goals and objectives aligned with the Strategic Priorities

◀ February

- Committee affirmed selected goals and objectives
- Staff began work on matching performance measures with policy goals and objectives

◀ March/April

- Staff present status of performance measures for committee feedback

◀ May/June

- Include selected policy goals, objectives, measures, and targets, in the FY 2025 Budget

◀ Future

- Public Dashboard
- Regular reporting to the public/Council

Approach to Identifying Performance Measures

◀ Leverage existing measures where possible

- Some plans included performance measures
 - *Ex: Comprehensive Plan, Strategic Energy Action Plan*
- Some information is already being tracked by the department
 - *Ex: Violent crime rates*

◀ Differentiate between “city” and “community” measures

- *Objective: Maintain or increase the number of middle skill jobs*
 - **City measure: Apprenticeship placement for city jobs**
 - **Rationale: Limited community-wide data and city influence**
- *Objective: Increase the share of trips made without a car and broaden multi-modal connectivity*
 - **Community measure: Percent of individuals driving alone to work**
 - **Rationale: Ability to measure this on a community-wide basis**

◀ Understand how measures relate to policy goals

◀ Identify gaps and areas for refinement in next iteration

Where We Are At a Glance

- ◀ Council selected policy goals: 18
- ◀ Council selected policy objectives: 29
- ◀ Staff identified performance measures: 37

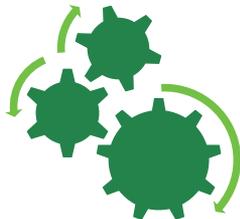
Policy Goal	Policy Objective	Proposed Measure	Workforce and Business Dev.	Transp. and Planning	Well Managed Government, Engagement, Equity, and Envir.	Safe Communities	Great Neighborhoods
Equity in governance framework	Meaningfully engage residents	Number of stakeholders engaged across multiple methods	X	X	X	X	X

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Workforce and Business Development

Policy Goals

- Comprehensive Plan Goal 1: 10-Minute Neighborhoods
- Comprehensive Plan Goal 8: Diverse and Resilient Economic Opportunity
- Charlotte Business INCLUSION Policy



Notes:

Two policy objectives related to transportation investments are captured and measured under Transportation and Planning. One policy objective related to property tax relief is included in Great Neighborhoods.

Proposed Measures

- Percent of contracts greater than \$100,000 with established goals
- Public wi-fi access points
- Percent of end-of-service devices to local refurbishment programs
- Proximity to financial services
- Citywide spend with MWSBEs
- Employment within existing/planned activity centers
- Percent vacant land within manufacturing/logistics place types
- Annual apprentices placed in city jobs

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Next Steps

- ◀ **Refine performance measures**
- ◀ **Identify target measures**
- ◀ **Address gaps in measurement, data-collection, automation of reporting**
- ◀ **Develop back-end data processes where necessary**
- ◀ **Build public-reporting infrastructure**