

Hospitality Funding Review

ECONOMIC DEVELOPMENT AND WORKFORCE COMMITTEE

AUGUST 3, 2026

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Agenda

- ▶ Recent hospitality project expenditures
- ▶ Potential projects under review
- ▶ Funding Requests
- ▶ Hospitality Revenue Capital Investment Policy
- ▶ Hospitality funds review and affordability
- ▶ City asset maintenance
- ▶ Staff recommendations

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City Council Communications

Previous Council Communication

- ▶ **March 4, 2026: Annual Strategy Session Presentation**
- ▶ **June 1, 2026: ED&W Committee Presentation**

Future Council Action

- ▶ **TBD (based on projects carried forward)**

Recent Major Hospitality Commitments

Convention Center		Tourism		NASCAR HOF		Total
Eastland Sports Campus (FY 2030)	\$22M	Spectrum Center/ Performance Center (FY 2045)	\$275M	Hall of Fame Renovations (FY 2039)	\$25M	
Bank of America Stadium (FY 2046)	\$650M	BoPlex (FY 2046)	\$25M			
Total	\$677M		\$300M		\$25M	\$1.0B

Additional Commitments (Hospitality):

- Carolina Theater - Completed
- Sully Sullenberger Aviation Museum-Completed
- Memorial Stadium – Completed
- Annual Capital Maintenance (Cultural Arts & CRVA Managed)- Ongoing

Additional Commitments (ARPA):

- Excelsior
- Do Greater

Tourism and Hospitality Sources and Uses

	Convention Center	Tourism		NASCAR HOF
Revenue Source (FY 26 Budget)	1 % Prepared Food and Beverage (\$54.0M) 3% Occupancy (\$34.6M)	3% Occupancy (\$27.8M) 1.5% Rental Car (\$6.2M)	PAYGO Transfer (\$14.6M) City and County TIG(\$4.6M)	Occupancy 2% (\$23.0M)
Uses	Convention Center Facility, convention and visitor promotion, hospitality/tourism marketing, amateur sports facilities and stadiums over 60,000 seats. Uses permitted by State.	Marketing/visitor promotion, programs/events that will generate visitors, and the construction/maintenance of facilities such as convention centers, civic centers, auditoriums and museums. Uses permitted by State.	Cultural Arts Facilities, including maintenance of facilities, and activities and events furthering the cultural arts Uses guided by Interlocal and city council policy	Constructing and maintenance of the NASCAR Hall of Fame, the NASCAR Hall of Fame/Convention Center Crown Ballroom, and parking facilities Uses permitted by State.

*Fund Balance does not equate to affordability. Fund Balance may be programed for Debt Service, operating/maintenance in future years. Specific project details including specific uses, and timing are used to determine current/future affordability.

Horizon Projects

	Convention Center	Tourism (T1&T2)	Non-Hospitality/CIP
Projects	Convention Center	BOplex - Facilities/Parking	BOplex - Structured Parking
	Tennis Complex	Discovery Place	Discovery Place
	Truist Field	Truist Field	Tennis Complex
	Hockey Practice Facility	Hockey Practice Facility	Hockey Practice Facility
	World Military Games	Mint Museum (Randolph)	World Military Games
		Charlotte Ballet	
		City-owned Facilities Maintenance	

Funding Requests Received

- ▶ **Truist Field:** \$13.35M over five years
 - City, County, and Knights partnership to improve facility
- ▶ **Charlotte Ballet:** \$6M over two years
 - Existing facility improvements with addition of affordable studio/multi-purpose space and artist housing
- ▶ **Military World Games:** \$4.5M funds + in-kind
- ▶ **Gantt Center: Ruth E. Carter Afrofutursim In Costume Design:** \$300,000

Military World Games: June 25-July 4, 2027

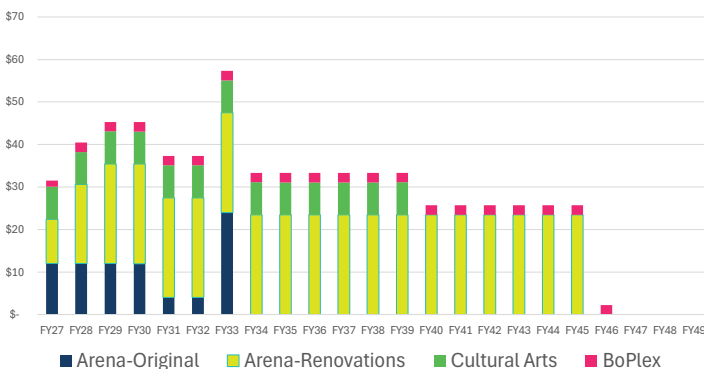
- ▶ **Over 70 countries RSVP'd**
 - Anticipate 8,000 athletes and 2,000 delegates for 10+ days
- ▶ **Economic Impact**
 - Visitor Spend: \$163.1M
- ▶ **North Carolina State Support: House Bill 268**
 - Senate final approval: July 29, 2026
 - House vote expected week of August 3
 - \$25M total appropriation
 - \$7.5M to UNC-Charlotte (facilities and housing)
 - \$17.5M to be distributed by NC Department of Commerce
- ▶ **City Request:**
 - \$4.5M funding (Convention Center)
 - In-kind under evaluation (i.e. event planning, permitting, traffic management, marketing): Not to exceed \$12M

Ruth E. Carter Afrofutursim In Costume Design: February 2028

- ▶ **Ruth E. Carter first African-American to win two Academy Awards for costume design.**
- ▶ **Her designs span iconic films such as Black Panther, Sinners, Selma, and Do the Right Thing**
- ▶ **Exhibit at Gantt Center includes**
 - Costumes, sketches and videos on design process and production
 - Ruth Carter school visits, lecture and exhibition opening
- ▶ **City: \$300,000 in fixed costs**

Hospitality Fund Commitments

Tourism Fund Debt Service



Current Commitments

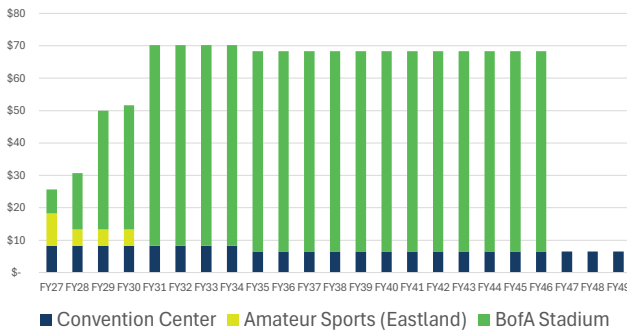
- Arena original (\$203M)-FY 2033
- Arena renovations (\$275M)-FY 2045
- Cultural Arts campus (\$139M)-FY 2039
- BoPlex improvements (\$25M)-FY 2046*

Considerations

- FY 2033 is pinch point
- Aging city owned assets
- Future arena discussions set to begin in FY 2039

Hospitality Fund Commitments

Convention Center Debt Service



Current Commitments

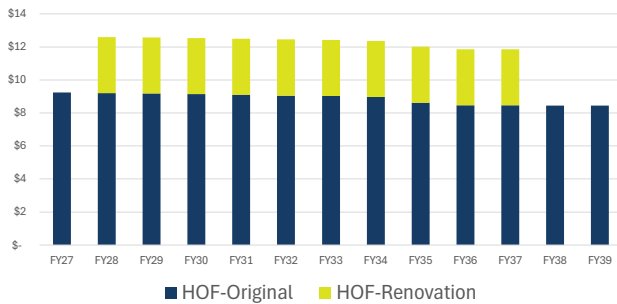
- Convention Center (\$120M)-FY 2049
- BofA Stadium (\$650M)-FY 2046
- Eastland (\$22M)-FY 2030*

Considerations

- Significant debt service commitment through FY 2046
- BofA Stadium renovation project still in early stages
- Aging city owned assets
- Future stadium discussions set to begin in FY 2037

Hospitality Fund Commitments

NASCAR HOF Debt Service



Current Commitments

- NASCAR HOF original (\$137M)-FY 2039
- NASCAR HOF renovation (\$25M)-FY 2037*

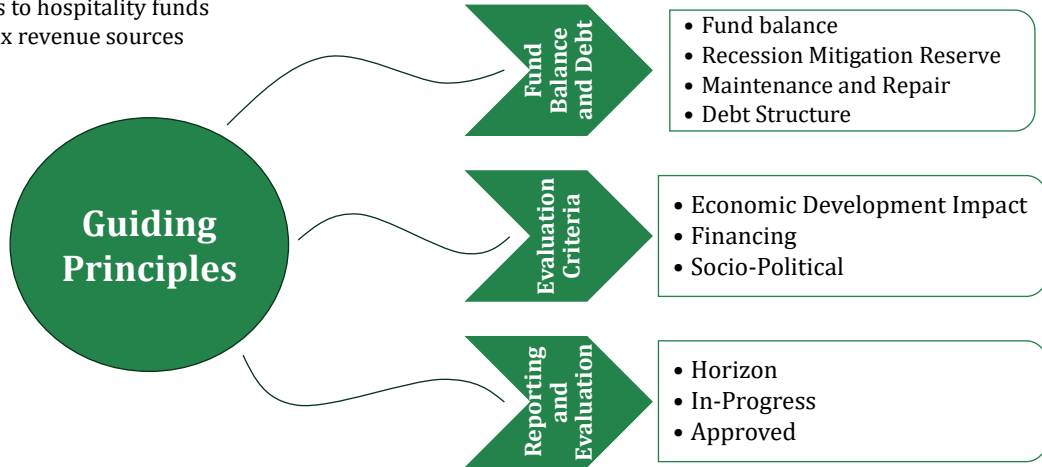
Considerations

- NASCAR HOF Occupancy Tax sunsets in FY 2039

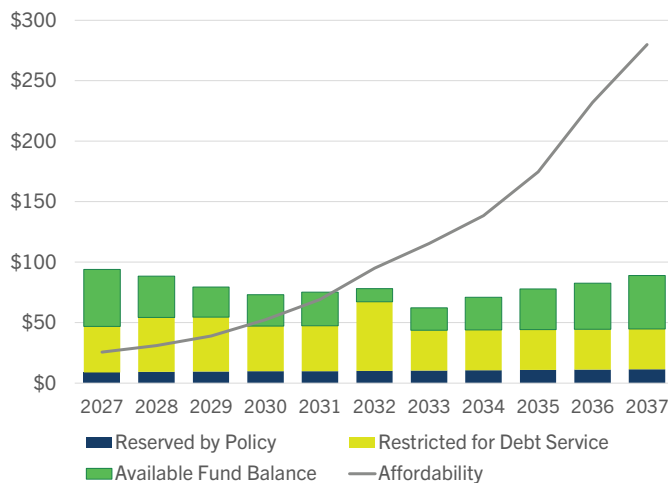
Hospitality Revenue Capital Investment Policy

Approved by Council in 2021

- Applies to hospitality funds with tax revenue sources



Affordability-Tourism



*Denotes approximate affordability as point in time

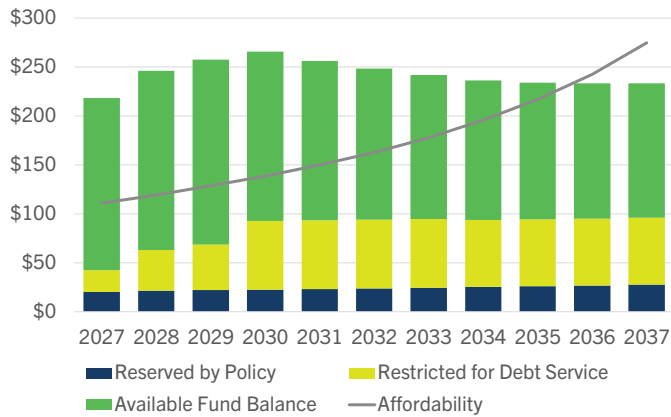
Affordability Estimates*

Fiscal Year	Est. Affordability
FY 2027	\$25M
FY 2032	\$95M
FY 2037	\$280M

Considerations

- Limited affordability through FY 2032
- Affordability grows if not utilized
- Significant increase in affordability following paying off debt for the original Arena project
- Specific cashflows for a project needed for more accurate estimates

Affordability-Convention Center



*Denotes approximate affordability as point in time

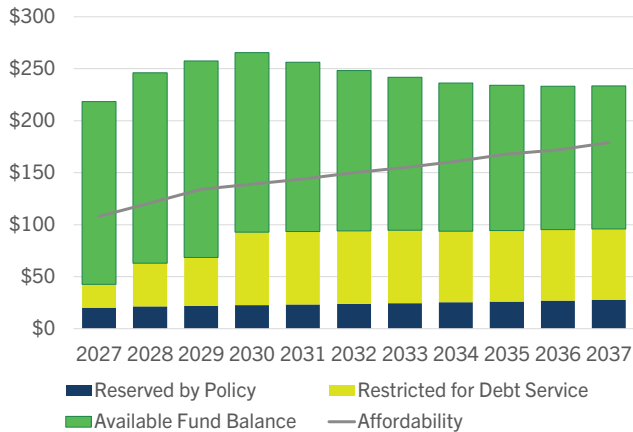
Affordability Estimates*

Fiscal Year	Est. Affordability
FY 2027	\$110M
FY 2032	\$160M
FY 2037	\$275M

Considerations

- BofA Stadium renovation project still in early stages
- Affordability grows if not utilized
- Specific cashflows for a project needed for more accurate estimates

Affordability-NASCAR HOF



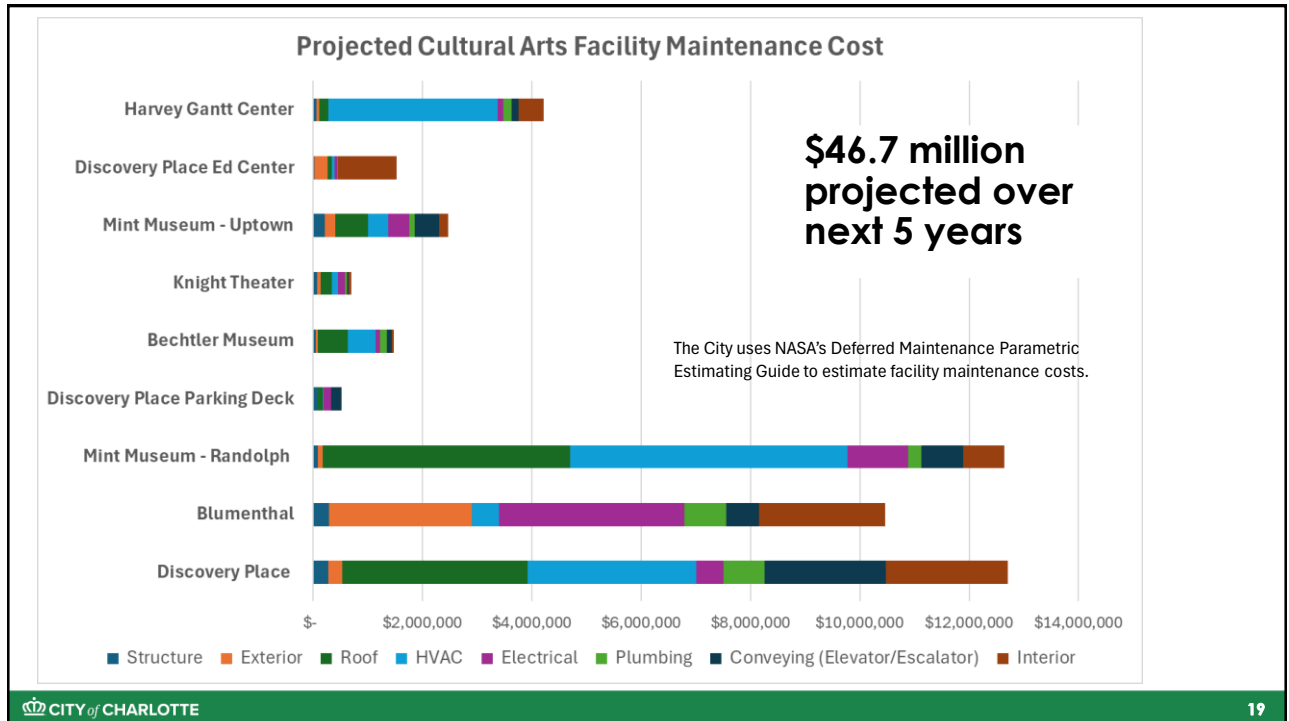
*Denotes approximate affordability as point in time

Affordability Estimates*

Fiscal Year	Est. Affordability
FY 2027	\$105M
FY 2032	\$150M
FY 2037	\$180M

Considerations

- Sunset of NASCAR HOF Occupancy Tax limits affordability
- Affordability grows if not utilized, but growth is limited compared to other funds
- Specific cashflows for a project needed for more accurate estimates



Projects by Focus Area

1. City-owned facilities

- BoPlex Facility and Parking (Tourism Funds/Other)
- Convention Center (Convention Center Funds)
- Discovery Place (Tourism/Other)
- Gantt Center: Ruth E. Carter Afrofuturism in Costume Design Exhibition (Tourism Funds) **\$300K**
- Facilities Maintenance (Tourism)
- Mint Museum – Randolph (Tourism)

2. City Partnership Projects (County/State/Federal)

- Truist Field (Convention Center Funds) **\$13.35M**
- Military World Games (Convention Center Funds/Other) **\$4.5M + in-kind**

3. Unique Opportunities

- Charlotte Ballet (Tourism Funds) **\$6M**
- Tennis Facility (Convention/Other)
- Hockey Practice Facility (Unknown)

Staff Recommended Priorities

1. City-Owned Facilities
2. City Partnership Opportunities (County, State, Federal)
3. Unique Opportunities

Discussion and Questions