



# Hospitality Funding Discussion

## UPDATE

ECONOMIC DEVELOPMENT & WORKFORCE COMMITTEE  
JUNE 1, 2026

# Comprehensive Capital Planning Program



## Tourism and Hospitality Sources and Uses

	Convention Center	Tourism (T1)	Tourism (T2)	NASCAR HOF
<b>Revenue Source</b> (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)
<b>Uses</b>	Convention Center Facility, convention and visitor promotion, hospitality/tourism marketing, amateur sports facilities and stadiums over 60,000 seats. <b>Uses permitted by State.</b>	Marketing/visitor promotion, programs/events that will generate visitors, and the construction/maintenance of facilities such as convention centers, civic centers, auditoriums and museums. <b>Uses permitted by State.</b>	Cultural Arts Facilities, including maintenance of facilities, and actives and events furthering the cultural arts <b>Uses guided by Interlocal and city council policy</b>	Constructing and maintenance of the NASCAR Hall of Fame, the NASCAR Hall of Fame/Convention Center Crown Ballroom, and parking facilities <b>Uses permitted by State.</b>
<b>Fund Balance*</b> (FY25 Unaudited)	\$166.0M	\$94.8M (T1 & T2 have combined Fund balance in the City's Financial Statements)		\$60.4M

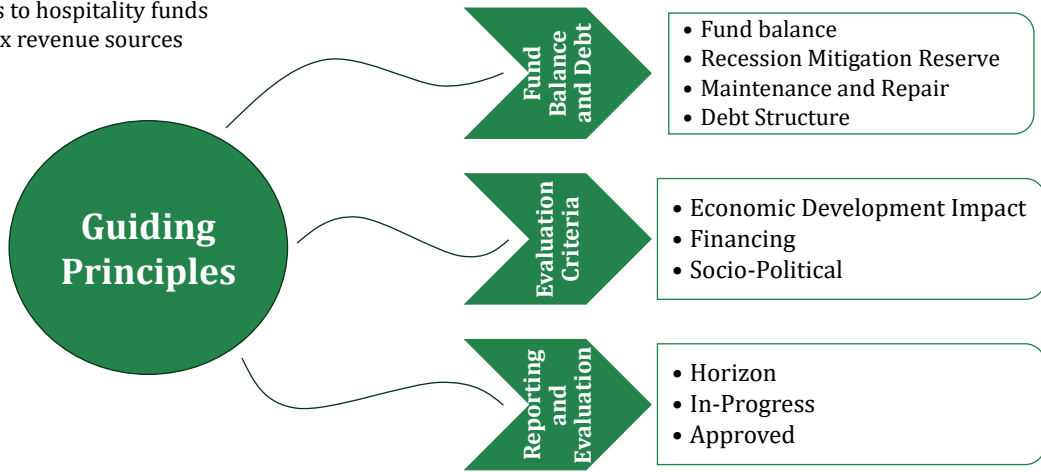
\*Fund Balance does not equate to affordability. Fund Balance may be programed for Debt Service, operating/maintenance in future years. Specific project details including specific uses, and timing are used to determine current/future affordability.

3

## Hospitality Revenue Capital Investment Policy

Approved by Council in 2021

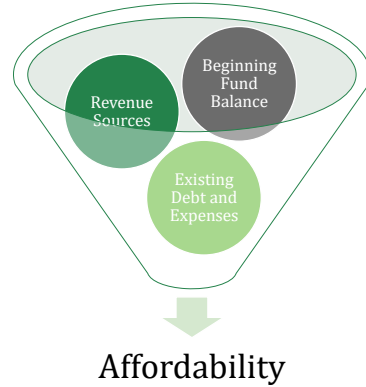
- Applies to hospitality funds with tax revenue sources



4

# Determining Affordability

- ◁ Each credit entity has a debt affordability model that is updated regularly
- ◁ Includes known and estimated inputs
  - Prior year actuals and beginning fund balance
  - Current year’s adopted budget
    - Updated estimates when available
  - Existing debt and other expenses
  - Estimated growth rates and interest rates
- ◁ Considerations
  - Impact on “One Charlotte”
  - How are city funds being used
  - Timing of project cash flow needs
  - Rating agencies & regulatory considerations
  - Market and financing execution



5

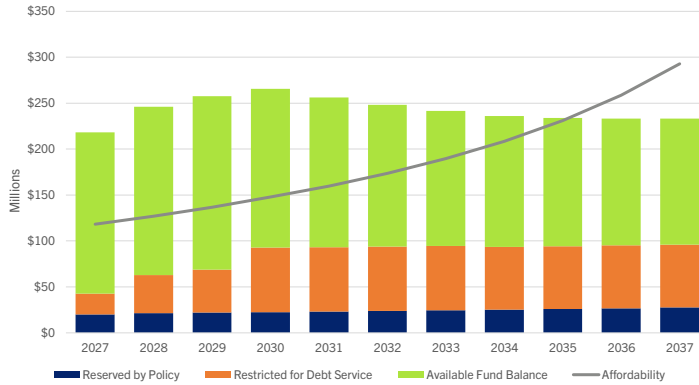
# Hospitality Revenue YTD\*

	Convention Center		NASCAR HOF	Tourism		
	Prepared Food & Beverage	Conv Center Occupancy	NASCAR HOF Occupancy	Tourism Occupancy	Rental Car	U-Drive-It
YTD FY26	\$40,760,758	\$23,667,323	\$15,785,904	\$13,644,353	\$3,972,384	\$14,118,090
YTD FY25	\$39,529,932	\$24,813,832	\$16,543,186	\$14,081,638	\$4,308,164	\$13,155,235
Growth	3.1%	-4.6%	-4.6%	-3.1%	-7.8%	7.3%

\*Through March

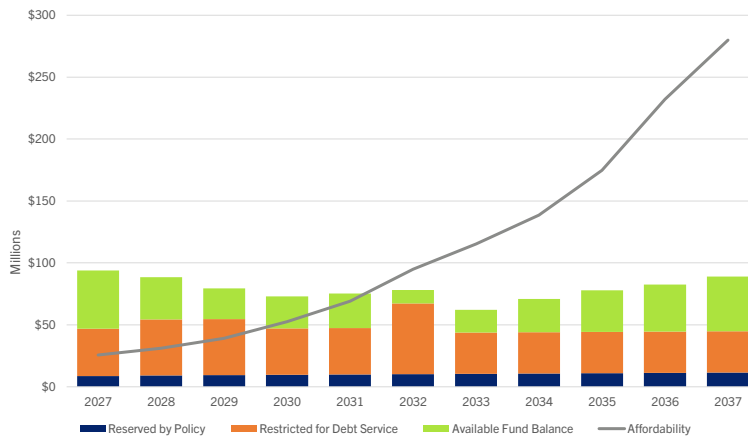
6

# Affordability-Convention Center



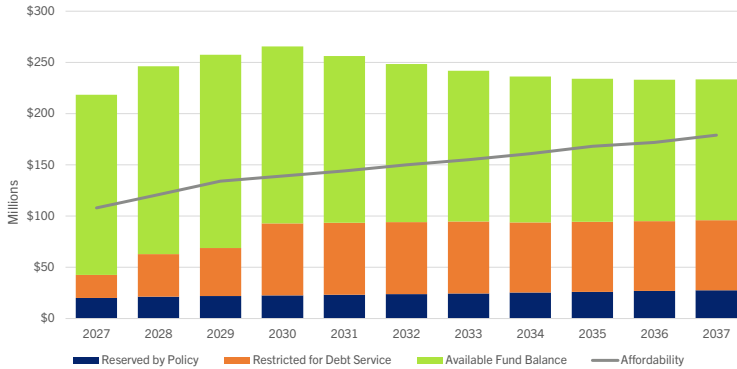
7

# Affordability-Tourism



8

# Affordability-NASCAR HOF\*



\*NASCAR HOF 2% Occupancy Tax Sunsets in FY 2039

# Cash vs Debt Commitment

## ◀ Baseline Affordability

- FY 2028 \$31M and FY 2032 \$95M

## ◀ For illustration ONLY

- \$5M Debt Commitment in FY 2027
  - FY 2028 \$24M and FY 2032 \$86M
- \$5M Cash Commitment in FY 2027
  - FY 2028 \$18M and FY 2032 \$84M

## Historic Uses

	Convention Center	Tourism (T1&T2)	NASCAR HOF	Non-Hospitality/CIP
<b>Projects</b>	Convention Center (Capital & Operating)	Spectrum Center & Practice Facility	NASCAR HOF	Boplex (Connector)
	Eastland Yards (Amateur Sports)	Boplex		Cultural Arts Campus (TIG)
	Bank of America Stadium	Cultural Arts Campus		Eastland Yards (Non-amateur sports)
		Truist Field		Excelsior
		Tourism Marketing & Promotion (Statutory)		Ballantyne ReImagined
		Special Events: (PGA, Picaso, ACC)		The Pearl
	City-owned Facilities Maintenance	City-owned Facilities Maintenance	City-owned Facilities Maintenance	City-owned Facilities Maintenance

CITY of CHARLOTTE
11

11

## Prioritizing Hospitality Funds

- I. City-owned Projects
- II. Collaboration Projects
- III. Other Projects/Unique Opportunities

CITY of CHARLOTTE
12

12

## Horizon Projects

	Convention Center	Tourism (T1&T2)	Non-Hospitality/CIP
Projects	Convention Center	BOplex – Facility & Parking	BOplex – Parking
	Tennis Complex	Discovery Place	Discovery Place
	Truist Field	Truist Field	Tennis Complex
	Hockey Practice Facility	Hockey Practice Facility	Hockey Practice Facility
		Mint Museum (Randolph)	Charlotte Gateway Station
		Charlotte Ballet	Five Points Mixed Use
		World Military Games	World Military Games
		City-owned Facilities Maintenance	Office Conversion Opportunities

CITY of CHARLOTTE
13

## Funding Requests

<h3>Specific Requests</h3> <ul style="list-style-type: none"> <li>◀ Charlotte Ballet</li> <li>◀ Truist Field</li> <li>◀ World Military Games</li> <li>◀ Gantt Center: Ruth E. Carter Afrofuturism In Costume Design</li> </ul>	<h3>Potential/Anticipated Requests</h3> <ul style="list-style-type: none"> <li>◀ Discovery Place</li> <li>◀ Boplex (MEP Study + parking)</li> <li>◀ Convention Center</li> <li>◀ Tennis Facility</li> </ul>
--	---

CITY of CHARLOTTE
14

## Next Steps

- ◁ Continue to monitor hospitality revenue revenues
- ◁ Development of special event evaluation process
- ◁ Evaluate appropriate amount to reserve for Bojangles/Ovens with MEP study underway
- ◁ Evaluate specific affordability scenarios for August Economic Development and Workforce Committee

## Questions & Discussion