

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

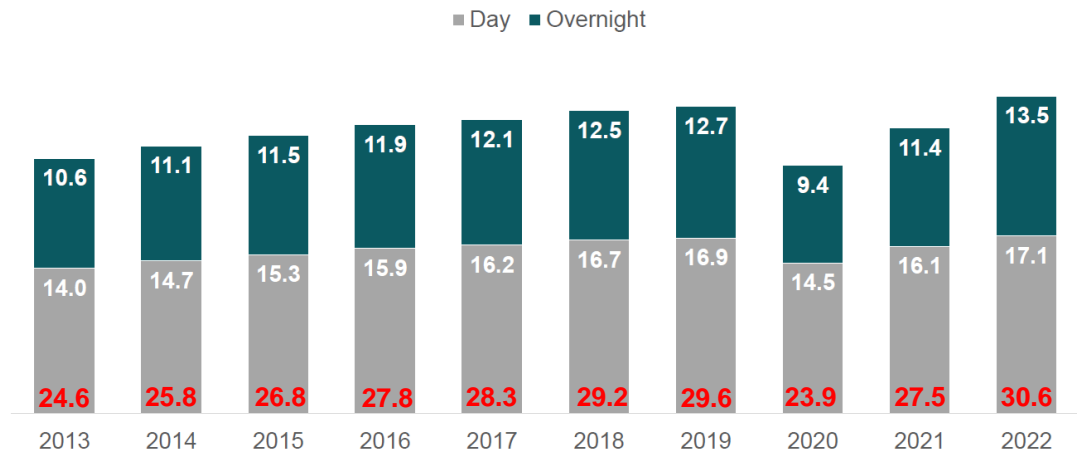
- 13.5M in overnight stays

◀ 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

13.5 million overnight visits in 2022



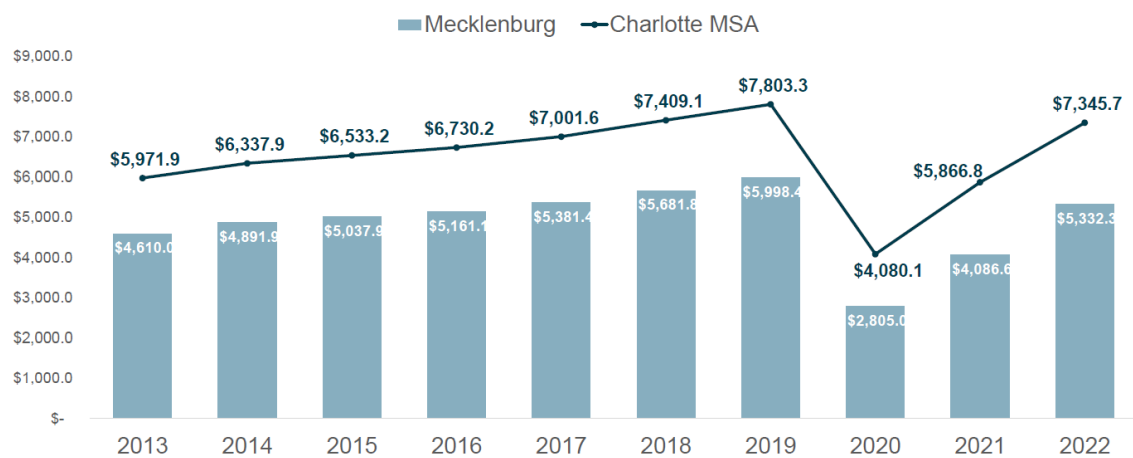
Source: Longwoods International
Total visitors, in millions, for each Charlotte trip type

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Visitors spent \$7.34 billion in 2022



Sources: Prepared for Visit North Carolina by Tourism Economics; South Carolina Department of Parks, Recreation & Tourism
Visitor spending, in \$ millions

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Policy Update

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Hospitality Revenues

◀Hospitality Revenues (\$M)

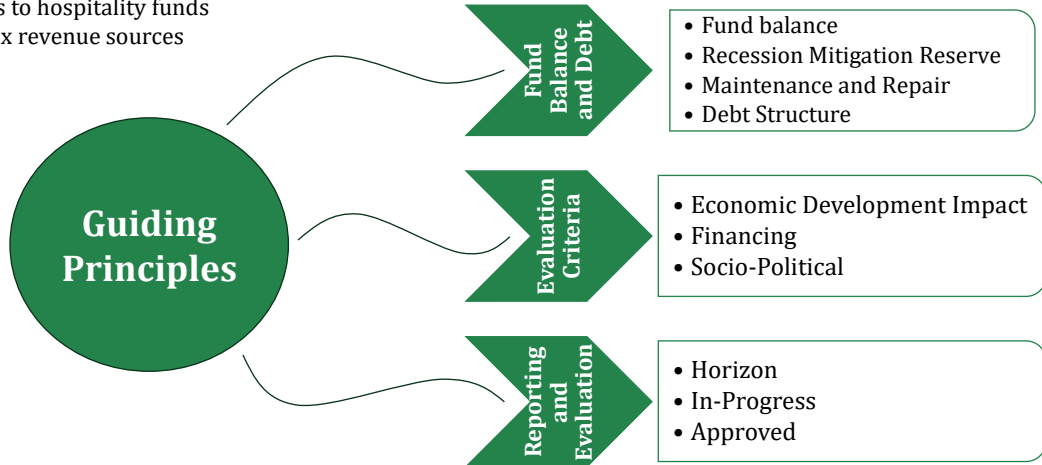
Fund	Tax Revenue	Use	FY2023 Actuals	FY2024 Budget
Convention Center	Prepared Food & Beverage 1%	Convention Center Facility, convention and visitor promotion, hospitality/tourism marketing, amateur sports facilities and stadiums over 60,000 seats	\$49.6	\$46.9
	Occupancy 3%		\$30.1	\$30.3
Tourism	Occupancy 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



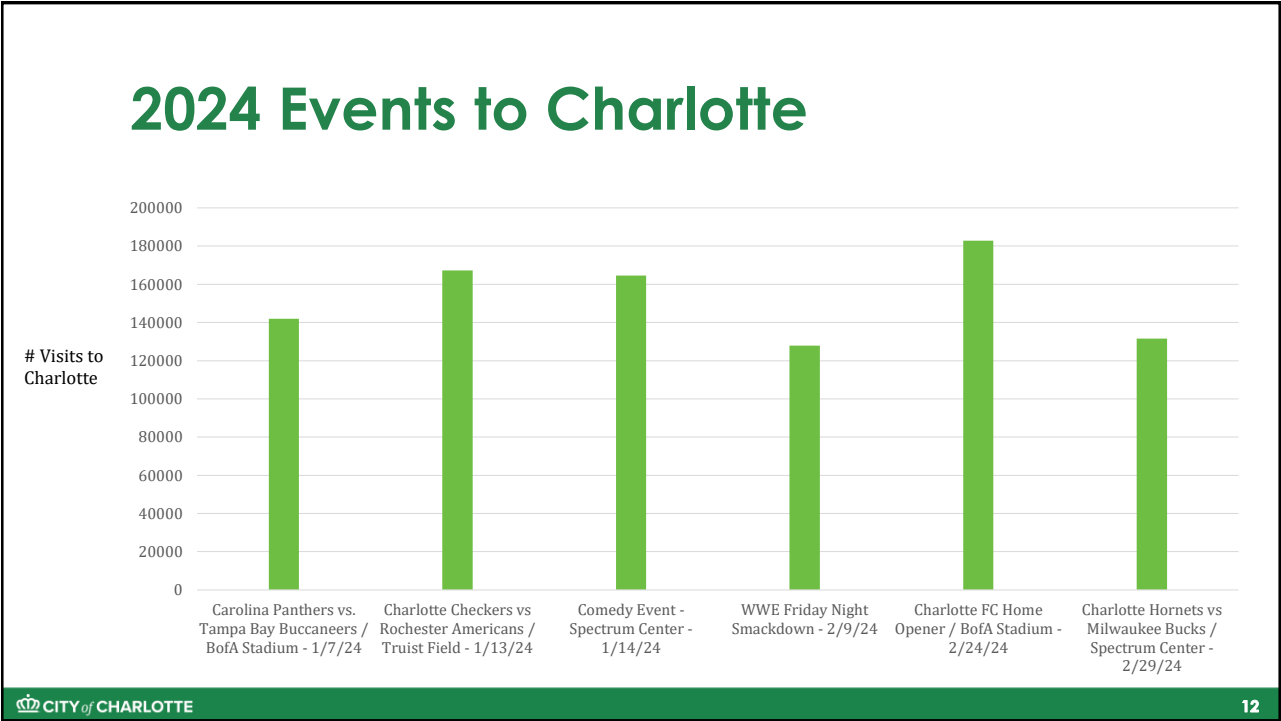
Hospitality Projects: In Process (\$M)

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



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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

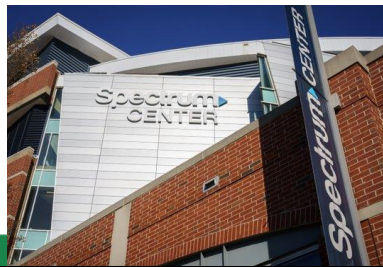
Events Impact

- ◀ 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



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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



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Venues – Convention Center

A year in review

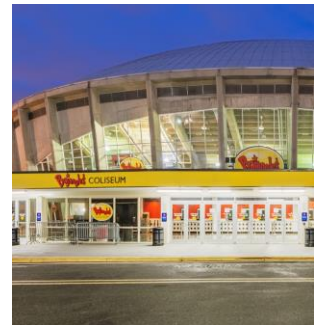
- \$91.9 million in total economic impact
- \$19.2 million in direct visitor spending
- 413,400 attendance
- \$27.2 million total revenue
- 374 total events



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?