

December 4, 2020



Dear Mayor Lyles and Charlotte City Council Members,

I'm pleased to present you with the Charlotte Regional Visitors Authority (CRVA) Annual Report for Fiscal Year 2020 (FY20). At the CRVA, we feel incredibly fortunate to lead the region's visitor economy and to manage the City-owned venues with which we are entrusted. For the one in nine residents whose jobs are dependent on a vital and healthy tourism industry and the millions of visitors who experience Charlotte through travel, it is a responsibility we do not take lightly. Our role took on greater importance and urgency during this time of disruption and uncertainty, and I'm proud of how the CRVA has responded to the challenges of the pandemic with speed, creativity, innovation and empathy.

In FY20 the CRVA's activities directly generated an estimated \$635 million in total economic impact for our community, including \$368 million in incremental direct visitor spending as well as producing nearly \$20 million in local tax collections. You'll see in this report that visitor spending and hotel performance indicators for the hospitality industry had incredible momentum prior to COVID-19's impact on travel and business.

A strong partnership with the City is a fundamental aspect of our success in protecting and growing Charlotte's market share of the visitor economy. Your recognition of the hospitality industry's value and the subsequent steps you've taken to provide financial and operational support to businesses to help mitigate the negative effects of COVID-19 show great leadership and vision. We appreciate your commitment to the CRVA and the individuals who rely on the visitor economy for their economic stability and well-being.

This year, the City and CRVA collaborated on a number of initiatives to enhance destination assets and drive economic prosperity. From hospitality funding investments such as the Charlotte Convention Center expansion to completion of the connector between Bojangles Coliseum and Ovens Auditorium to major events such as the CIAA Men's & Women's Basketball Tournament and final preparations for the 2020 Republican National Convention, we thank the City for its partnership in advancing Charlotte's visitor economy and the positive impact it has on the residents who live, work and play here. Through our combined efforts, Charlotte, Mecklenburg County, and the entire region once again led the Carolinas in tourism impacts: 29.6 million visitors and \$7.8 billion in direct visitor spending, capping 10 consecutive years of growth.

The strength of our industry and the resilience of its 147,000 workers gives us confidence in our ability to recover from the pandemic. I encourage you to read more about our year in review as detailed in this document. We welcome the opportunity to address any questions or concerns. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Murray". The signature is stylized with a horizontal line above the name and a long, sweeping underline.

Tom Murray
Chief Executive Officer
Charlotte Regional Visitors Authority (CRVA)

Organizational Overview

The CRVA works to deliver experiences that uniquely enrich the lives of our visitors and residents. Through leadership in destination development, marketing and venue management expertise, the CRVA leads efforts to maximize the region's economic potential through visitor spending, creating jobs and opportunities for the community. Brands supported by the CRVA include the Charlotte Convention Center, Bojangles Coliseum, Ovens Auditorium, NASCAR Hall of Fame, Spectrum Center, Charlotte Regional Film Commission and Visit Charlotte in conjunction with the region's destination marketing brand.

STRATEGIC APPROACH

The CRVA's current five-year Strategic Plan for FY19--23 builds on the momentum and success of its previous iteration, which guided the organization to achieve significant gains for the hospitality industry and the city that benefit local businesses and residents alike. The collaborative nature of our work demands strong relationships continually focused on our vision and mission, with growing Charlotte's market share of the visitor economy at the forefront of our efforts.

The CRVA's strategic approach, evidence-based decision making, thoughtful management of resources, disciplined execution and emphasis on developing and sustaining an employee-first culture is a proven combination for maximizing the region's economic potential through visitor spending. These organizational tenets have also sustained and guided us through the unprecedented challenges presented by the coronavirus pandemic and its devastating effects on the health of our community, industry and residents. The focus on strategy and the corresponding business initiatives that help drive our success remained an important guide to our FY20 activities, although many of the tactics and approaches were modified in the second half of the year to counter the growing influence of the pandemic on our operations.

EMPLOYEE ENGAGEMENT

We believe our employee-first culture is key to the CRVA's success. Listening to our team members and empowering them to deliver memorable customer experiences will ensure the Charlotte visitor economy not only recovers but continues to thrive. Our goals are achieved through the talented "One CRVA" team we've worked so hard to build, strengthen and develop. Employee engagement is one of the primary internal performance indicators we routinely monitor related to the CRVA's organizational excellence, and it became an even greater priority as COVID-19 took its toll on the mental, emotional and physical health of CRVA team members.

To measure employee engagement, the CRVA partners with Qualtrics, the leading provider of employee experience data and analysis, to conduct an annual comprehensive survey called VOICE. Results from the FY20 survey were some of the highest the organization has seen to date, which is extraordinary given the disruption of the tourism industry, economic uncertainties and the emotional havoc created by the pandemic. The CRVA's overall engagement index increased to 94 percent favorability, placing the organization well within the top 10 percent of 1,600 benchmarked national companies across various industries, including hospitality, technology, manufacturing, service and healthcare and such well-known brands as Under Armour, Jet Blue, Spotify and Lexus. The responses showcased a very strong connection to strategy, employee well-being and inclusion. The majority of measures reflected double-digit increases from FY19 scores and illustrated positive perceptions of the actions and behaviors of CRVA leadership during extraordinarily difficult times.

At the start of the pandemic, we committed to transparency and open lines of communication around the impact to our operations. Frequent check-ins between managers and team members, clear and consistent communication, and empathy were stressed across all levels of the organization. CRVA leadership regularly assessed the ever-evolving situation with an eye toward making decisions that would promote business continuity and support employees while also addressing the most critical operational aspects at the time. The goal is to come out of this challenging time fully ready to return to generating economic impact for our community, recognizing that our employees are key to making it through the crisis.

FINANCIAL APPROACH

Careful business planning and prudent financial management over the past eight years has allowed the CRVA the ability to develop a strong fund balance that positions the organization to weather challenges like the one we're currently facing. This solid footing put us in a place where we could make positive decisions in the near-term; in FY20, the CRVA was able to avoid furloughs or layoffs for full-time employees and implement a temporary compensation plan through FY20 that was later adjusted in FY21 for many regularly-scheduled and event-related part-time staff affected by venue closures and event cancellations. The extent of the pandemic's impact on our short- and longer-term operations is constantly being evaluated.

Continued limits on mass gatherings that prohibit meetings, conventions, special events, concerts, sporting events and shows from taking place affected the CRVA's ability to generate revenue for the majority of the second half of the fiscal year. As such, CRVA leadership has been engaged in ongoing scenario planning to anticipate a variety of impacts and adjust operations accordingly. Seeking to fuel recovery of the industry and support regional businesses and their employees, the CRVA has been implementing strategic sales and marketing activities that position the destination for success once travel and mass gatherings are deemed safe again.

HIGHLIGHTED ACTIVITIES

While COVID-19 has drawn significant focus in FY20, it should not overshadow the success and progress the CRVA experienced earlier in the year. Some notable activities include securing a five-year commitment to host International Champions Cup soccer; substantial exhibit upgrades, enhancements and additions at the NASCAR Hall of Fame; hosting Republican National Convention lead-up events for both national media and Republican National Committee members; a record-setting Charlotte Night at a Charlotte Checkers game that featured CLT-branded jerseys; hosting the 15th consecutive and 75th anniversary CIAA Basketball Tournament; start of Charlotte Convention Center expansion construction project; and completion of the connector facility at the Bojangles Entertainment Complex. Some of these activities are outlined in more detail throughout this report.

As the city and the nation grappled with the death of George Floyd and the heightened awareness around systemic racism, racial injustice and inequality, the CRVA thoughtfully added its voice to this important conversation. The Executive Leadership Team collectively authored a statement, which was shared both internally and externally. Recognizing the issues of racial equity and social injustice and any potential solutions are complex, the CRVA did not seek immediate solutions, but rather committed to an ongoing, multi-faceted approach that involves listening, educating ourselves and standing up against racism, injustice, hatred and violence. The CRVA's full statement can be found in the Corporate Social Responsibility section of this report.

At the onset of the pandemic in the state, our teams quickly went to work reaching out to customers, members and partners, adjusting plans, establishing enhanced processes, collaborating on innovative programs and creating

resources for businesses and residents. We also updated and educated employees on enhanced health and safety practices, connected with industry peers, gathered research and evaluated data, and looked for opportunities to support our community and each other. We knew the unprecedented circumstances would require special leadership, commitment and innovation from all members of the CRVA team as we made our way forward. We also came to understand that this unparalleled moment in time – while challenging and ever-changing – also presented us with opportunities to learn, grow and expand our skillsets and ways of thinking that could serve as a competitive advantage.

Health & Safety Protocols

In the first week of March, the CRVA actively collaborated with local public health experts and industry organizations to implement additional measures in our managed venues for the health and well-being of employees and guests. The CRVA contracted the services of an infection control consultant who worked successfully with healthcare facilities throughout the U.S. to dramatically reduce the number of healthcare-acquired infections and put systems in place that maintain this infection control trend. This consultant fully assessed cleanliness and sanitation procedures of CRVA venues and gave positive feedback as well as recommendations. We continued to leverage their expertise after the initial evaluation to help guide responses to a variety of different scenarios.

The CRVA also created an internal COVID-19 Return to Workplace Task Force. Team members in the group assisted in the development of protocols and safety guidelines to address operational processes and human contact health risk mitigations. The Task Force's thoughtful and thorough approach resulted in new operating procedures for employees and customers, increased cleaning protocols, venue spacing guidelines, training, signage and additional supplies and equipment. The group closely monitors recommendations and actions from local, state and federal public health officials, and suggests updates or changes to CRVA plans and documents accordingly.

We Clean With Care

In conjunction with the development of health and safety protocols, we immediately began contemplating venue reopening strategies that would both incorporate and communicate new processes. Examples of these processes include regular cleaning of high touch/traffic areas using advanced technological cleaning supplies, installing easily accessible hand sanitizer dispensers throughout the buildings and providing visual cues for social distancing. A team then identified a variety of signage and internal and external communication needs that help disseminate the steps staff members are taking to stop the spread of infectious diseases and provide for employee and guest safety.

Utilizing a "One CRVA" approach, the team developed a consistent look and feel for messaging called "We Clean with Care" that translates across multiple venues and varying types of guest experiences. The messaging components aim to proactively address client and visitor concerns. They include a fact sheet detailing each venue's cleaning and social distancing tactics, as well as on-site signage installed throughout each venue encouraging visitors to maintain the healthy habits recommended by the U.S. Food & Drug Administration and the Centers for Disease Control and Prevention.

Global Biorisk Advisory Council (GBAC) STAR Facility Accreditation

At the end of FY20, the CRVA began the process of seeking accreditation from GBAC for its managed venues and offered financial support to regional hotels wanting to do the same. ISSA, the worldwide cleaning industry association, created the program in response to the COVID-19 outbreak. It is the cleaning industry's only outbreak prevention, response and recovery accreditation, and is widely considered the gold standard for managed facilities.

The CRVA's investment of time and resources into this process signals that we are committed to the highest levels of preparedness in providing for the health and safety of our employees, guests and community at large. We anticipate this third-party designation will increase meeting planner and visitor confidence in Charlotte as a safe destination, as well as positively impact traveler sentiment, which are essential steps on our ongoing path to recovery.

Research & Data

The CRVA Business Insights & Research team produced a COVID-19 Special Research Report in May related to the local tourism impacts of the pandemic. The report, which represents aggregated data from a variety of industry sources, included the latest leisure travel sentiment, conventions and meetings booking trends, economic indicators and a forecast of expectations for the following 18 months. We created this document to provide our Partners in Tourism with key information that might be useful in their future planning and forecasting.

Strategic Marketing/Communications

As the COVID-19 pandemic started to directly impact Charlotte's tourism industry, we adapted our marketing tactics so that the CRVA was a leading resource for the hospitality industry and community at large during the global health crisis. The initial digital approach was to share carefully vetted COVID-19 information, highlighting the resilience of our community through uplifting stories and imagery and creating valuable resources that position hospitality businesses. CRVA suspended all destination paid media efforts including TV, digital display/pre-roll, brand activations, influencer marketing and paid social. The team began pouring through research to both inform and guide a post-pandemic marketing strategy. A prudent but impactful, well-timed media plan was a foremost priority to help Charlotte's visitor economy successfully come out of the other side of the crisis.

The team continued to create dynamic digital resources on charlottesgotalot.com that provided beneficial COVID-19 resources, ways to support small businesses and restaurants, innovative Partners in Tourism efforts and more – all with the goal of showcasing the best of Charlotte. One of the very first initiatives was "Pitch In. Take Out.," a searchable online compilation of 400+ restaurants offering take-out, curbside and third-party delivery that launched on March 18. By the end of June, nearly nine million impressions had been served over paid social media efforts connected to Pitch In. Take Out. This is just one example of several highly successful digital campaigns developed in response to the pandemic.

As the industry dynamics improved, CRVA Marketing/Communications began working on a strategy to target drive markets, re-instill consumer confidence in travel and support local hospitality partners. Research highly indicated that potential travelers were attracted to more regional trips, which strongly aligned with the CRVA's current 250-mile radius feeder market approach in 12 surrounding markets. The team is closely monitoring statewide reopening guidelines to prioritize the health and safety of our community and determine the most appropriate time for launch. The CRVA is a data-driven organization and as such, is committed to resuming paid media efforts when prospective travelers are most receptive to travel-oriented messages.

More detailed information about other initiatives the CRVA's Marketing/Communications team launched, including the "Wait. Ready. Set. Go." recovery marketing strategy and tactics, can be found in the Additional Highlights section of this report.

Operational Performance



BOJANGLES ENTERTAINMENT COMPLEX

Ovens Auditorium and Bojangles Coliseum, the two historic venues that comprise the Bojangles Entertainment Complex (BOplex), were enjoying significant success in their 65th anniversary year. Attendance at the BOplex was up 32% compared to FY19 figures prior to the impact of COVID-19 and the subsequent limitations on indoor mass gatherings that shut down events for the remainder of the fiscal year. In the eight months of venue activity, roughly a third of guests to the BOplex traveled to Charlotte from outside the area, and approximately half stayed overnight. In FY20, BOplex visitors generated \$21.2 million in economic activity for the Charlotte community.

The Charlotte Checkers were once again a major driver in bringing patrons to the BOplex. The momentum of their 2019 Calder Cup Championship season helped grow season ticket sales to their highest levels ever, while continuing to maintain strong group and individual ticket sales. The team was in position to make its fourth straight playoff appearance when the remainder of the regular season and playoffs were cancelled.

The appeal of Charlotte's historic venues sparked new relationships, which served to expand event offerings at the BOplex. Bojangles Coliseum hosted seven performances of Cirque du Soleil OVO, marking the first time a Cirque du Soleil show has played the complex since it opened in 1955. The venue secured a spot on the inaugural tour of All Elite Wrestling's national broadcasts, bringing wrestling back to the complex for the first time in decades. Other performances that highlighted the robust Bojangles event calendar included the Dude Perfect show, Mike Epps and Lauren Daigle, who returned after playing Ovens in 2019. Bojangles Coliseum also hosted the NC Dental Society Foundation's Missions of Mercy clinic for the first time.

Ovens Auditorium had a diverse offering of performances until event cancellations began in mid-March. Eddie B, Paw Patrol, Jo Koy, Bethel Music, Lindsey Stirling, Charlie Wilson, Dancing with the Stars and Celtic Women all made return appearances to the stage. New acts to Ovens included 85 South Live, Sebastian Maniscalco, Jonathan Van Ness, Cirque Dreams Holiday and Josh Gates. The CRVA's collaborative relationship with Blumenthal Performing Arts Center again brought multiple popular shows to Ovens, including "Les Miserables" and "Jersey Boys."

The pandemic did not negatively impact completion of the new connector facility between Bojangles Coliseum and Ovens Auditorium, although it did postpone the public celebration of its opening. The \$20 million project was designed to make the historic complex more competitive for promoters and enhance the overall customer experience for guests. Upgrades include an additional entrance, outdoor patio, kitchen and production space, special event and promoter space within Bojangles Coliseum, more restroom capacity and concessions outlets, increased circulation space and point of sale locations as well as storage and office space for both venues. The multipurpose hospitality area was officially named the East CLT Room, a nod to the venue's importance in the history and economic vitality of the East Charlotte community.



CHARLOTTE CONVENTION CENTER

The Charlotte Convention Center, which marked its 25th anniversary in 2020, generates economic impact for the community and serves long-term group business in Charlotte. This long-term group business helps drive hotel occupancy, room rates and hospitality tax collections throughout the Charlotte region.

During FY20, the Charlotte Convention Center successfully hosted 138 events with 177,745 in total reported attendance, including 21 conventions and trade shows, 12 assemblies, 12 consumer shows and 93 local events. The venue's activity generated an estimated \$93.1 million in total economic impact, including \$51.8 million in direct visitor spending. COVID-19 impacts began in March 2020 resulting in 66 events lost in the fourth quarter of FY20, including six citywide conventions. Operating revenues of \$11 million were down 14 percent from budget and down 35 percent compared to FY19 performance due to the impact of COVID-19.

Notable events hosted in FY20 included the 48th Annual Meeting of Child Neurology Society, National Business Aviation Association (NBAA) Schedulers and Dispatchers Conference, Family Dollar Annual Leadership Conference, The Church Network's 63rd Annual Conference and the 2020 Northwestern Mutual Southern Regional Conference.

In response to COVID-related issues the CRVA team worked tirelessly on return to workplace health safety protocols, new approaches to safely host events, and earning the Global Biorisk Advisory Council STAR Facility Accreditation to garner the highest level of customer confidence in getting back to the business of hosting events.

Capital projects competed in FY20 included geotech and testing services related to the Center's expansion, digital sign enhancement, wireless network upgrades, and increasing banquet table inventory.

The Charlotte Convention Center's \$126.9 million expansion project began September 2019 with structural reinforcement, moving into exterior construction early April 2020. While the loss of events was a serious setback for the venue, the ability to continue construction without simultaneously coordinating events has been a great advantage for the efficient continuity of the construction project. Completion of substantial elements is anticipated by late spring 2021 and the ability to occupy the new space by the end of summer 2021. The Convention Center expansion project will add 50,000 square feet, increase the number of meeting spaces from 41 to 55, and create an overstreet pedestrian walkway to the 700-room Westin Charlotte hotel and light rail station stop. This investment in our industry's infrastructure will bring new business to the region, increase Charlotte's competitiveness and solidify the city's reputation as one of the premier meetings destinations in the Southeast.



NASCAR HALL OF FAME

The NASCAR Hall, which marked its 10th anniversary in 2020, is a dynamic and valued asset in Charlotte and within the motorsports industry. It served as a catalyst for development in the Stonewall Street corridor and contributes significantly to the economic health and vitality of the region, drawing visitors from across the country and internationally. Enshrinement in the NASCAR Hall of Fame is now universally considered the pinnacle of a career and is quietly tied to the aspirations of so many in a storied industry. Recognizing the needs in the community, the NASCAR Hall of Fame Foundation began awarding scholarships for Title 1 schools during FY20 to expand the reach of the venue's very successful education program. The NASCAR Hall of Fame remains firmly committed to its vision of operating a premier sports hall of fame, being a leader in showcasing what it means to honor a sport and serving as a defining destination asset for the Charlotte region.

In FY20, the NASCAR Hall continued to benefit from the strength of a balanced business model introduced several years ago that leverages opportunities and alignment across all aspects of the venue, including general admission, private events, membership, education, food and beverage and retail sales. The success of these integrated, cross-functional relationships contributed to revenues being up 12 percent, or \$558,000 ahead of budget and 11.7 percent, or \$546,000, ahead compared to FY19 at the end of February, prior to the closure of the venue to the public in mid-March due to the pandemic. Year-over-year attendance was also up 15 percent. Unfortunately, that early success

could not withstand the significant negative effects of closure through the rest of FY20, resulting in total operating revenue of \$5.52 million, down 24 percent from an FY19 total of \$7.24 million.

Based on eight months of open-door operations, the iconic landmark contributed to the local economy through \$17.4 million in direct visitor spending and \$31.1 million in economic impact in FY20. Guests continue to visit from all 50 states annually, with 65% of visitors staying overnight and consuming more than 47,000 hotel rooms. The venue's overall Net Promoter Score, an indication of the strength of an organization's customer service based on guest feedback, improved to 80.9 in FY20 from an already strong score of 77.8 in FY19. This result signals the influence and importance of CRVA staff in our success. A continued focus on training, increased internal communication and an emphasis on working better together through shared resources, innovation and collaboration helped drive growth in this incredibly important performance metric.

While the NASCAR Hall was closed to the general admission public starting in mid-March through the end of FY20, the team sustained business operations by developing new virtual guest experiences, adapting existing programs, adding an online platform to our retail sales program, planning for future events and preparing the venue to safely and confidently reopen when permitted to do so. In conjunction with the CRVA's Return to Workplace Task Force and guided by the organization's "We Clean with Care" protocols, the NASCAR Hall instituted several operational and procedural changes in light of the highly interactive, high-touch nature of the museum's exhibits and based on the challenges of welcoming guests during a public health crisis. After several internal soft reopening exercises, the venue was prepared to reopen at the end of June 2020 when the State's Phase 2 "Safer at Home" recommendation was set to expire, and eventually reopened in September with reduced capacity in accordance with Phase 2.5.

Exhibits

FY20 saw substantial upgrades and changes to the exhibit experience throughout the NASCAR Hall of Fame. The largest of these was the conclusion of a multi-year project to completely redesign and launch a new digital interactive guest experience. This new system took advantage of new technology that was unavailable at the time of the venue's opening. Highlights include large multi-touch displays throughout the exhibit galleries that allow guests to explore more details of artifacts on display, as well as examine artifacts from previous exhibitions and those in the permanent collection.

Since opening in 2010, the NASCAR Hall's signature exhibit, Glory Road, has featured some of the most recognizable race cars and drivers throughout the history of NASCAR. Every three years, the exhibit receives a makeover with a new theme and new cars. For the fourth generation of the exhibit, the NASCAR Hall of Fame partnered with Dale Earnhardt Jr. as its first-ever guest curator to create "Dale Jr.: Glory Road Champions," featuring 18 premier series championship cars personally selected by Dale Jr., a noted aficionado of the history of NASCAR. Additional interactives were installed on Glory Road allowing guests to see inside of the cars and view related archival material. A content highlight of the new installation is the display of the first and last championship car of all three of NASCAR's seven-time champions -- the only time these six cars have been assembled in one exhibit.

In February 2020, the NASCAR Hall remained steadfast in its mission to honor the history and heritage of NASCAR by inducting another class of icons: Buddy Baker, Joe Gibbs, Bobby Labonte, Tony Stewart and Waddell Wilson. Edsel Ford II was honored as the sixth recipient of the Landmark Award for Outstanding Contributions to NASCAR and Dick Berggren was presented the eighth Squier-Hall Award for NASCAR Media Excellence. In June, the NASCAR Hall announced the inductees who will comprise the NASCAR Hall of Fame Class of 2021: Dale Earnhardt Jr., Red Farmer and Mike Stefanik. They mark the NASCAR Hall's 12th class and reflect the long-planned evolution of the nomination and ballot process and reduction in the number of annual inductees each year.

Education

The NASCAR Hall of Fame education mission is to educate and engage students in their discovery about NASCAR, teach them how to apply STE(A)M (Science, Technology, Engineering, Arts and Math) through real-world application and provide an experiential learning environment which includes highlighting careers within the sport. Funds raised through the NASCAR Hall's charitable Foundation enhance our ability to provide scholarships to economically challenged schools and students and help level the playing field for those who would not ordinarily be able to experience NASCAR and benefit from the venue's many education workshops.

The first half of FY20 saw the education program continue to grow. The learning catalog features over 30 individual workshops designed to engage students from pre-K through 12th grade and is developed to meet state and national curriculum standards. Summer saw a variety of school and local camps utilize the NASCAR Hall for its day trips, but the ability to host in-person educational programming was cut short due to COVID-19 closures. The education program team was quick to see an opportunity and created Spark! Learning, a robust series of 40 free online content experiences that teachers could use and parents and students could do at home.

Collections

The NASCAR Hall of Fame continued to add artifacts of historic importance to its permanent collection. One highlight was the acquisition of the actual 1992 Ford Thunderbird that Alan Kulwicki (NASCAR Hall of Fame Class of 2019) drove in the last race of the season to clinch the 1992 NASCAR Cup Series Championship. In May of 2020, the Alan D. Kulwicki Donor Advised Fund donated \$45,000 to the NASCAR Hall of Fame Foundation to purchase the car. This is the first time the NASCAR Hall of Fame Foundation has received a cash donation for the purchase of an artifact

Industry and Community Relations

The NASCAR Hall's reputation within the sport has translated into being selected as the site for industry announcements and press events, and while activity was curtailed this year, the consistent use is an indication of the respect the venue has earned as a trusted and valued partner. The team continued to both engage NASCAR fans and raise awareness of the Hall through Inductees' participation at on-site events as well as at race tracks such as the NASCAR Cup series race at Darlington and the NASCAR Hall of Fame 200 at Martinsville. Support of various charitable and nonprofit causes throughout the year delivers on our advocacy and community engagement commitment.



SPECTRUM CENTER

The CRVA continued to successfully support Hornets Sports & Entertainment (HSE) and the Charlotte Hornets in all areas of back-of-house servicing and operations at Spectrum Center in FY20. Team responsibilities enhance the overall experience the Charlotte community and visitors have at the venue.

For FY20, the team's goals centered on the development of long-term strategies that aligned success of the CRVA and HSE and continued to maintain and improve the venue as an asset for the City of Charlotte. CRVA business initiatives provided the framework for establishing key performance indicators of successful operations, with three main areas of focus: 1) operations and preventative maintenance; 2) short-term and long-term capital planning; and 3) sustainability.

Event success and high levels of customer satisfaction are two hallmarks of the team's work. Prior to the disruption of the event calendar, the venue experienced a very strong start to the year. During the second quarter, the busiest of the fiscal year, Spectrum Center hosted Monster Jam, Oprah 2020 Vision: Your Life in Focus Tour and Celine Dion Courage World Tour consecutively, all while the Charlotte Hornets continued to play their season. The team showed a level of dedication that didn't go unnoticed by patrons, touring or building management.

The eventual impact that COVID-19 had on the venue was significant, rendering the strong collaboration between engineering, facility operations and contracted services such as cleaning a critical factor in effectively addressing return to workplace protocols and recovery preparations. By the end of the second quarter, Spectrum Center was experiencing a change in the way it approached all areas of business operations. At the onset of the State's Stay at Home Order in late March, restrictions were placed on mass gatherings and consequently, events at Spectrum Center were cancelled and/or rescheduled. One of the strategic events negatively affected by the coronavirus was the 2020 Republican National Convention that was set to take place in the venue in August. A significantly scaled-back convention was eventually held in the Charlotte Convention Center.

Under the restrictions, the CRVA worked to restructure existing contracts to better fit the building needs and activity levels during the closure. Also during this time, the CRVA, HSE, Jani-King, and Levy joined forces to help Spectrum Center earn the first Global Biorisk Advisory Council STAR Facility Accreditation in the state, as well as the WELL Health-Safety Rating for Facility Operations and Management from the International WELL Building Institute. Both of these third-party certifications required the team to think strategically in the planning and execution of cleaning and safety protocols to create a safe environment for employees, partners, and guests.

In addition to delivering back-of-house services, the CRVA provided support to the capital improvements taking place at the venue. As the domestic water pipe replacement project concluded and the roofing project continued, the upper bowl stair tread project began. The City Capital Improvement Projects were completed and work began planning for the future.



VISIT CHARLOTTE

In FY20, the CRVA's destination sales, marketing and services team – Visit Charlotte – booked 234 events for future years, totaling 322,419 room nights. Of the 234 events, 29 were booked for the Charlotte Convention Center and will generate 122,695 room nights. Youth and amateur sports accounted for 154,581 room nights, representing 48 percent of the total. The venue sales team booked \$1 million in event revenue at CRVA-managed venues, predominately at the NASCAR Hall of Fame. Smaller meetings also played a significant role in achieving the FY20 booked rooms, contributing 49,651 room nights or 15.4 percent of the total bookings. All of these metrics reflect year-over-year negative effects of COVID-19.

In reaction to the growing impact of the pandemic, the Sales team across all market segments shifted focus from booking new business to retaining existing business. Since the Convention Center expansion construction had been long planned and was underway, the number of large citywide events in the venue was lower than in normal years. This resulted in comparatively fewer cancellations or rescheduling of near-term business than in our competitive destinations. Nevertheless, a high priority was placed on strengthening relationships with customers navigating the ever-shifting COVID-19 environment. The Sales team was able to engage with customers in meaningful and thoughtful ways, understanding their concerns and long-term plans while empathizing with challenges ahead. This personal, soft-touch approach helped maintain and grow relationships in positioning Charlotte for future booking conversations when the customer is ready and able to move forward.

With an overall customer satisfaction rating of 4.95/5.0, the Destination Services team provided best-in-class support to 18 citywide events that utilized the Charlotte Convention Center as well as 27 sporting events and 117 events that took place at either Spectrum Center, Bojangles Coliseum and surrounding area hotels. Citywide sporting events that attracted a high volume of visitors included International Champions Cup, 2019 Charlotte Marathon, CAAA Basketball Tournament, 2019 ACC Football Championship, 2019 Belk Bowl, 2020 Spirit of Hope National Championships (Cheerleading) and 2020 Queen City Classic (Volleyball). Citywide conventions and tradeshow included Beauty

Systems Group's Fashion Focus, The Church Network's Annual Conference and National Business Aviation Association's Schedulers & Dispatcher's Conference. Housing services were provided for Spirit of Hope and Queen City Classic with a total of 4,497 hotel reservations. The Destination Services team also increased its engagement with potential customers, participating in 52 site visits, from which a total of 68,547 hotel rooms turned definite.

More than 650 regional companies continued to engage with the CRVA through the Partners in Tourism partnership program. The Partnership team provides invaluable exposure, information and education to these hospitality businesses. Whether interacting with a hotel, restaurant, entertainment venue or service provider, the Partnership department's goal is to support the hospitality industry by growing businesses through visitor and local support.

The coronavirus continues to affect the CRVA's Partners in Tourism. Based on the primary objective of helping other businesses, the decision was made to be flexible with investment dues in order to maintain strong relationships with struggling companies and entrepreneurs. At the onset of the pandemic, the Partnership team began identifying creative approaches to engage with partners in the COVID-19 environment and ways to support them in recovery. Networking platforms moved virtual and email communications increased to provide timely resources, market research and helpful advocacy messaging. Our partners understand the value of tourism and closely align themselves with the CRVA's efforts to strengthen Charlotte's economy.



VISITOR INFORMATION CENTERS

Visitor Information Center (VIC) operations, which include the Charlotte Convention Center, Charlotte Douglas International Airport and an Uptown location on Tryon Street, were on track to achieve record retail sales and distribution goals prior to the negative impact of the pandemic. The Airport and Uptown VICs interacted with 182,565 guests and distributed nearly 72,000 Official Charlotte City Guides locally as well as in key targeted drive markets.

The retail selections offered in the two stores continue to expand and diversify, with Charlotte-branded merchandise some of the more popular items. VIC staff source products from over 60 local vendors and support area businesses with pop-up events in the community featuring retail products and destination information. The Visitor Info Center Uptown at the Wells Fargo Plaza hosted more than 10 demonstrations, tastings and awareness events. As subject matter experts on Charlotte, the VIC team also offers ambassador training three times a year to tourism industry partners through a "CLT 101" course.



CHARLOTTE REGIONAL FILM COMMISSION

In FY20, the Charlotte region played host to "The Eyes of Tammy Faye," starring Academy Award nominees Jessica Chastain and Andrew Garfield, scheduled for release in 2021. The region also hosted an independent film "Goodbye, Butterfly" as well as Fortune Feimster's Stand-Up Comedy TV project (Netflix) and "Angels Unaware," a TV pilot.

Highlights of commercials filmed in the region include, but were not limited to, Toyota, Tepper Sports & Entertainment, Bojangles, CenturyLink, Coors Light, Cox Automotive, Hasbro Toys, Hoka Shoes, Metro Credit Union, OnStar, Sheetz, Puma Hoops, PointsBet, P&G, NC Lottery, Mercedes-Benz, Marty & McGee, Lowe's and INSP.

Charlotte was used as a still photography backdrop for brands such as Behr, Gates Corporation, Spectrum, Restoration Hardware and Off Broadway Shoes.

A sampling of reality shows filmed in the region include “Criminal Confessions,” “Designing Spaces,” “In Pursuit with John Walsh,” “Mega Shippers,” “Military Makeover with Montel,” “My Big Fat Fabulous Life,” “Monsters Across America” and “TNT Road Trip” as well as shows for A&E Originals and History Channel.

Total film-related spending in the Charlotte region was \$20,054,754 with 3,698 hotel rooms booked and 943 crew positions filled. The film office responded to 127 leads for a wide array of potential projects. The Film Commission experienced a decline in leads and recruitment projects due to COVID-19 and some scheduled projects were postponed.

Operational Summary

CAPITAL SUMMARY FOR VENUES

In FY20, approximately \$6.7 million was invested in capital improvements for CRVA-managed venues. Noteworthy projects included geotech and testing services in conjunction with the expansion project at the Charlotte Convention Center, audio/visual interactive upgrades at the NASCAR Hall of Fame, magnetometers at Bojangles Coliseum, seating and carpet replacement at Ovens Auditorium, and technical audio and IT upgrades at Spectrum Center.

FINANCIAL SUMMARY

For FY20, CRVA managed venues generated revenues of \$32,197,212 and received external financial support totaling \$33,640,525. Operational and capital expenses for the fiscal year totaled \$74,057,507. The resulting \$8,219,770 deficit reduced the CRVA fund balance.

The ability to generate operating revenues during the fourth quarter of fiscal year 2020 was significantly impacted by the global pandemic. Due to state government regulations in response to COVID-19, our venues were closed to the public from mid-March through the end of the fiscal year.

The CRVA has specific, fixed revenue contracts or funding agreements with the City of Charlotte that provide ongoing external revenue support. This support, along with the projected operating revenues, will allow the CRVA to continue all operations. Management can make expense reductions, if necessary, to ensure the company meets future obligations and maintains a positive working fund balance.

As of June 30, 2020, after adjusting for non-cash items, the CRVA pre-audited working fund balance is \$16,960,464. The final audit is available as of December 2020.

COVID 19: Impact on Hotel Performance

For the eight months pre-COVID, Mecklenburg County hotel performance remained near record highs, which is remarkable given the strong results from FY19 coupled with the increase in the region's hotel supply.

July 2019 - February 2020

- Occupancy: 66.6%
- ADR (average daily rate): \$114.61
- RevPAR (revenue per available room): \$76.35
- Demand: 4.55 million rooms

The impact of the pandemic halted the incredible momentum the industry was enjoying and caused significant losses in all performance categories at the end of FY20 compared to FY19.

FY20 vs. FY19

- Occupancy: 20% decline to 55.7%
- ADR (average daily rate): 7% decline to \$108.38
- RevPAR (revenue per available room): 26% decline to \$60.40
- Demand: 19.1% decline to 5.64 million rooms

We have the utmost confidence in the people of our organization, and trust that during this tumultuous time, a focus on our vision, mission, business initiatives and goals will keep us moving forward in the most positive way.

Additional Highlights

GROWTH OF VISITOR SPENDING

The Charlotte region enjoyed its tenth-consecutive year of growth in 2019, with a record high \$7.8 billion in visitor spending, an annual increase of 5.2 percent and an 82 percent increase over the last decade. Mecklenburg led all North Carolina's 100 counties in terms of visitor spending with \$6 billion, representing 29.6 percent of all domestic travelers' expenditures in the state and a 5.6 percent increase over the previous year. Domestic visitors are spending more money in Mecklenburg County than in any other tourism-centric destination in the Carolinas, including Raleigh, Asheville, Charleston and Myrtle Beach. State and local tax revenues generated in 2019 from travel to Mecklenburg County totaled \$425.7 million, representing an estimated annual tax savings of \$383 for every resident in the county. The region hosted approximately 29.6 million visitors in 2019. Figures for 2020 are not yet available.

These are powerful metrics that demonstrate how the \$7.8 billion tourism industry creates jobs, generates tax savings for residents and improves the quality of life for the entire community. The numbers also confirm the strength of Charlotte's tourism industry as an anchor of economic development, and we attribute our success to the CRVA's passionate effort to inform and inspire travelers. Recovery of the tourism industry is critically important to support so many of our local businesses, get residents back to work and help rebuild the region's economic strength.

CORPORATE SOCIAL RESPONSIBILITY

The CRVA is proud of the leadership role it takes in the community, advocating for the visitor economy, supporting the industry and its future talent and participating in civic dialogue on critical issues. Several initiatives in FY20 served to advance our mission and helped positively impact the region's quality of life.

CRVA Educational Foundation

The CRVA Educational Foundation provides scholarships and development opportunities to help expand the skills of new and current hospitality and tourism industry professionals in the region. The foundation is a valuable component in delivering advocacy messaging across the state on behalf of the CRVA and Charlotte's hospitality and tourism industry. In FY20, the CRVA's Educational Foundation awarded \$7,500 in scholarships to college students at accredited institutions studying in hospitality-related programs. Schools included Johnson & Wales (Charlotte), Western Carolina and Central Piedmont Community College.

The Foundation also provided \$7,400 to sponsor a student through the Community Culinary School of Charlotte (CCSC). The CCSC provides workforce development training and job placement assistance in the food service

industry for adults who face barriers to long-term successful employment. Their 14-week core program teaches culinary arts, job-readiness skills and goal setting to help students obtain and maintain career-level jobs.

Supporting Inclusion, Racial Equity and Social Justice

The CRVA has begun the important work with its employees to "dig deeper" as referenced in the statement below, issued in June following the death of George Floyd.

*Charlotte. We are passionate people from all walks of life
whose differences make this city stronger.*

The senseless death of George Floyd calls for us to commit openly and earnestly to promoting equality, inclusion and compassion. This is a defining moment. We need to redefine what it means to support and lift up our community, and most importantly, we need the voices of many to answer the call and chart this direction in our city.

The CRVA is the trusted leader of Charlotte's visitor economy. We do not pretend to have the answers, but we know that we must be a part of the conversation. We must listen, we must educate ourselves and we must stand against racism, injustice, hatred and violence.

We fully support peaceful protests taking place throughout the Charlotte region and hold ourselves accountable to drive positive change. Our core value of Inclusion calls us to discover and value our differences. We must dig deeper.

We stand with Charlotte's community, especially our Black residents, businesses and visitors.

We hear you. We see you. We stand with you.

COVID-19 Relief

As the community suffered through the pandemic, organizations such as Second Harvest Food Bank of Metrolina faced higher than usual demands and donations. To help with the uptick in product, Second Harvest began utilizing Hall C of the Charlotte Convention Center for sorting goods and packing food boxes. Socially distanced volunteers packaged approximately 10,000 boxes per week starting in March 2020. By the end of FY20, about a million and a half pounds of food had been sorted at the Center and distributed to the community via Second Harvest.

Prior to closing the Charlotte Convention Center due to limits on mass gatherings, the CRVA Food & Beverage team was able to provide the organizations that it donates excess food products to with larger amounts than usual. Substantial quantities of supplies – produce, meat, cheese, pasta, etc. – that otherwise would have gone unused due to business restrictions and cancellations in response to COVID-19 were distributed to those who needed it most.

Providing meals for those struggling in our community is a passion of the CRVA Food & Beverage team. One partner that helps the team responsibly manage excess food is Stew of Sustainability, which involves a three-step process of preparing, freezing and transporting food to local charity initiatives, such as food kitchens. During FY20, approximately 10,000 pounds of food was donated through the program. In response to increased need in the community, Stew of Sustainability also started a program where donated funds were used to purchase food which was then cooked and frozen at the Charlotte Convention Center for delivery to regional emergency shelters.

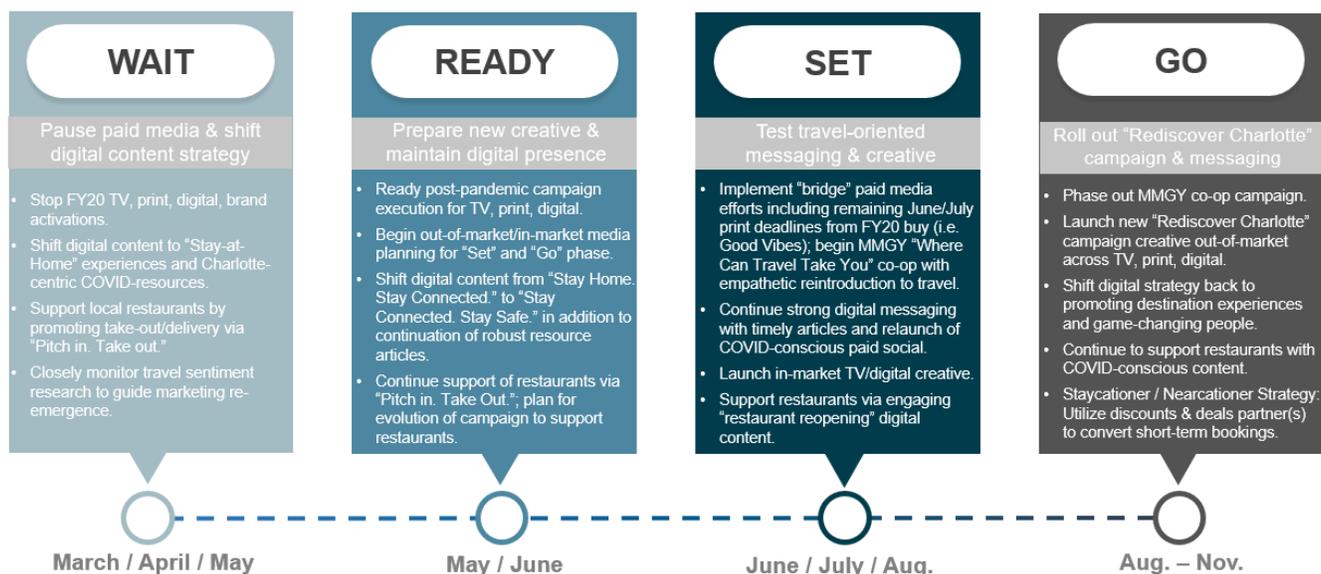
Community Support & Charitable Giving

The CRVA Special Events & Projects Grant Program offers in-kind marketing support for special events and/or projects that draw visitors to the area, add to the cultural tapestry of the community and create a lasting economic impact in our region. During the year, support valued at approximately \$45,000 benefitted events such as Charlotte Pride, Festival of India and the Charlotte Christmas Village. Unfortunately, the full impact potential of the program was not realized in the fiscal year as several events approved for support were cancelled or postponed and an unknown number of additional events did not have the opportunity to apply due to the pandemic.

Offering opportunities for employees to support local nonprofits is one of the many ways we seek to engage with our community. In FY20, the CRVA hosted its fourth annual School Tools Kick-Off Party in the NASCAR Hall's plaza to benefit Classroom Central, which collects and distributes school supplies to benefit students in need. Team members donated in excess of 7,500 school supply items to this worthy cause. The CRVA also partnered with 2017 NASCAR premier series champion Martin Truex Jr. and his charitable foundation on a holiday toy drive to benefit Levine Children's Hospital.

DESTINATION RECOVERY MARKETING & COMMUNICATIONS

At the onset of the pandemic, the CRVA immediately began to evolve its marketing and communications strategy, shifting from building destination awareness and enhancing the perception of Charlotte to creating useful, timely campaigns and resources that guide residents and visitors alike. One of the first strategic directives created was the CRVA's "Wait, Ready, Set, Go" strategy with goals to re-instill consumer confidence in travel, support hospitality partners and connect with target markets.



"Wait" (Spring 2020)

In the "Wait" phase, the CRVA paused its paid media efforts and shifted its extensive digital content strategy to focus on timely subject matter. One key component of this was the creation of "Pitch in. Take Out.," a comprehensive resource of 400+ restaurants and breweries offering pick-up, takeout and delivery services that was also sortable by neighborhood and searchable by restaurant. The well-utilized resource, which was supported by extensive digital and paid social advertising, saw nearly 9 million impressions in its first three months and approximately 40,000 click-throughs.



"Pitch in. Take Out." launched March 18 as quarantine began taking shape in N.C.

Meanwhile charlottesgotalot.com and social channels became a valuable lifeline for CRVA Partners in Tourism and the hospitality community at large. Content development was targeted at supporting local businesses, providing up-to-the-minute COVID information and showcasing positivity in the community. A sampling of the dozens of articles produced included "Support Local: How to Help Charlotte Businesses," "Safe Outdoor Activities to Discover in the Queen City," and "The Best

Virtual Things to Do in Charlotte." Social media giveaways, content partnerships with outlets such as Charlotte Agenda and innovative "stay safe" messaging also supported this phase.

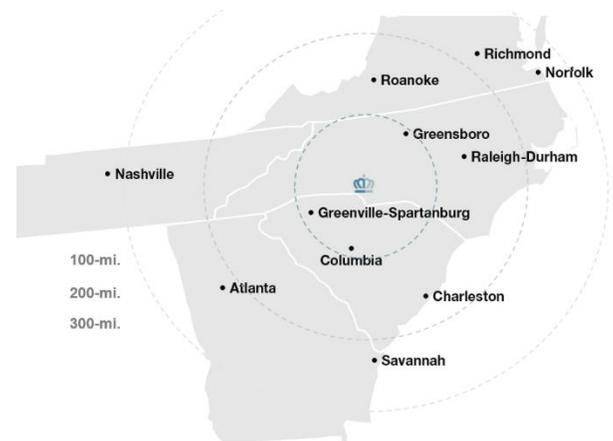
"Ready" (Summer 2020)

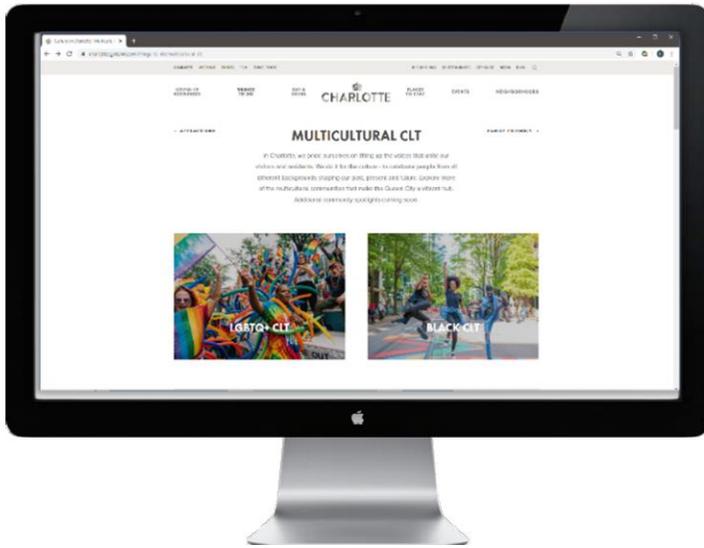
The "Ready" phase continued wide-ranging digital content efforts and began exploring recovery and travel-centric messaging while keeping a close eye on data related to travel sentiment and safety. A thorough "Rediscover Charlotte" advertising campaign was produced to launch for fall and beyond, emphasizing safe practices such as wearing masks, social distancing and exploring the outdoors. The new television, print and digital assets depict the realities of the pandemic while infusing a Charlotte-oriented travel message of hope and optimism for when individuals are ready to travel again. The team also began testing travel advertising again with a "Where Can Travel Take You" national co-op via Expedia and other digital media partners. The month-long campaign generated nearly \$750,000 in hotel revenue and produced approximately \$3 million in direct spending.

The CRVA also continued support for area restaurants by creating a "Your Table is Ready" campaign, which invited residents back to culinary businesses by providing details on enhanced precautionary measures. The campaign included extensive digital advertising with video assets featuring eight area chefs and brewers, a robust landing page on restaurant health and safety, a "missed celebration" sweepstakes for residents and a curated round-up of "101 Restaurants," which has become the second most visited page on the site. The campaign garnered nearly 176,000 impressions and 55,000 site visits to date.

"Set" (Late Summer 2020)

In the "Set" phase, the team readied media plans, while balancing appropriate timing of when to restart paid media with the new "Rediscover Charlotte" campaign. As data has indicated regional road trips are topping travel planning lists, the CRVA continued its previous media strategy of targeting 11 media markets in a 300-mile radius surrounding Charlotte. The media strategy also incorporates Charlotte given that nearly half of the city's annual visitation is comprised of visiting friends and relatives. The CRVA seeks to make tourism ambassadors out of the locals who host this critical market segment.





Multicultural CLT launched on charlottesgotalot.com in September 2020.

Digital platforms such as charlottesgotalot.com and CRVA social channels continued to be an essential resource to reach residents and potential visitors throughout the summer months. In addition to the two culinary campaigns – “Pitch In. Take Out” and “Your Table Is Ready” – the team invested heavily in creating relevant content. Three new platforms were launched: 1) Multicultural CLT: in-depth guides representing the diverse fabric of the Charlotte community such as “Black CLT” and “LGBTQ CLT;” 2) Google Arts & Culture: a partnership with Google to create comprehensive, interactive guides to the city’s cultural institutions; and 3) The CLT Trail Guide: six Google-map

based itineraries throughout the region that serve as outdoor exploration inspiration. While charlottesgotalot.com traffic saw a 50 percent decrease at the onset of the pandemic, it has steadily gained traction to get back to, and even exceed, pre-COVID levels through these innovative content approaches.

“Go” (Fall 2020)

Lastly, the “Go” phase resumed paid media with the new “Rediscover Charlotte” campaign in identified target markets, focusing more heavily on the 100 – 200-mile radius markets. The CRVA utilizes a diverse media mix to connect with residents and prospective visitors. Beyond television, print, digital display and paid search & social, the team also utilizes marketing tactics such as multi-faceted content partnerships with outlets such as Garden & Gun, Our State and many others, influencer marketing, earned media to bring in top-tier journalists and more. As outlined in the strategic plan, the CRVA is a data-driven organization and the team is regularly analyzing traveler sentiment data to ensure messaging is connecting with audiences when they are most receptive to receiving it. The CRVA is steadily working on additional recovery marketing efforts knowing that leisure demand will be a leading force in Charlotte’s overall economic recovery.



New “Rediscover Charlotte” campaign assets created for print, digital and television were produced in the summer and launched in fall 2020.

CRVA Requests for City Support



The Charlotte Regional Visitors Authority is a North Carolina public authority established under the Charter of the City of Charlotte, and as such, relies on the support of the City's appointed and elected officials to achieve our vision.

The City and CRVA should continue to work collaboratively to help the tourism industry, businesses and employees recover from the devastating effects of the pandemic. We are eager for large meetings, conventions and events to resume and we recognize that public health experts will provide guidance, including examining and evaluating the safety protocols and plans we have in place, as to when that can happen safely. The health of our residents and the health of our region's economy are inextricably linked, and we are committed to partnering with the City in safeguarding both. The CRVA is adhering closely to federal and state guidelines as well as expert recommendations while seeking to do our part to support the region's economy.

The City and CRVA should continue to work together to position Charlotte as the Southeast's most sought-after destination for visitors, conventions and special events. Through our partnership, plans should continue to be created to invest in assets that spur this component of economic development. Spending that supports the visitor economy serves as a vital catalyst in ensuring Charlotte is an attractive place to live, start a career or business, go to college or retire. Tourism and hospitality produces \$7.8 billion annually in direct visitor spending in the Charlotte region. In turn, this visitor spending has supported major events that also generate economic impact as well as the creation of some of Charlotte's most notable assets. These assets include but are not limited to Truist Field, Levine Center for the Arts, Bank of America Stadium, NASCAR Hall of Fame and Spectrum Center. The CRVA strives to be a careful steward of the dollars entrusted to it and encourages the City to support the tourism industry and the long-lasting dividends it consistently generates for the Charlotte region.