



December 1, 2021

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 2021 (FY21). 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 people in Charlotte 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.

During the pandemic, the CRVA's role took on greater importance and urgency during a time of disruption. It's safe to say no other sector was hit as hard, with impacts devastating the hospitality and tourism industry. I'm inspired by how the CRVA demonstrated leadership in the face of uncertainty with creativity, collaboration and innovation. You'll see in this report that while our community may have faced challenges in FY21, the CRVA remained true to our mission by implementing comprehensive, data-driven recovery focused marketing strategies that successfully re-instilled consumer confidence in travel to Charlotte, supported local hospitality businesses and generated short-term demand that is fueling the region's ongoing recovery.

A strong partnership with the City is a fundamental aspect of our success in leading the recovery and subsequent growth of Charlotte's visitor economy. Your recognition of the hospitality industry's value and the steps you've taken to provide financial and operational support to businesses to help mitigate the negative effects of the pandemic show great leadership and vision. We appreciate your commitment to the CRVA and to the Charlotteans who rely on the visitor economy for their economic stability and wellbeing.

This year, the City and CRVA collaborated on several initiatives to enhance destination assets and drive economic prosperity. From infrastructure investments such as the Charlotte Convention Center expansion to safely and successfully hosting events like the Republican National Convention, Religious Conference Management Association and ACC Baseball Championships, we thank the City for its partnership in advancing Charlotte's visitor economy and the positive impact it has on all who live, work and play here.

Through our combined efforts, Charlotte, Mecklenburg County, and the entire region once again led the Carolinas in direct visitor spending and tourism employment in a year fully stressed under the weight of the pandemic. We remain confident that the hospitality industry will regain what has been lost and once again experience the record growth of the recent past.

I encourage you to read more about our year in review as detailed in this document. We welcome the opportunity to continue the dialogue. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Murray", with a stylized flourish extending from the end of the name.

Tom Murray  
Chief Executive Officer

## **Organizational Overview**

The Charlotte Regional Visitors Authority (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, Visit Charlotte and Visitor Info Centers in conjunction with the region's place brand.

### **STRATEGIC APPROACH**

The CRVA's current five-year Strategic Plan for FY19 – FY23 continued to guide our direction, efforts and resources in FY21. The disruption of the hospitality industry caused by the pandemic and an uneven recovery required us to adapt, innovate, and closely collaborate with local officials, partners and key stakeholders. The collaborative nature of our work requires strong internal and external relationships collectively focused on our vision and mission. Balancing dynamic organizational needs and resources to achieve annual goals and business initiatives is a key facet of our strategic planning and decision making.

Leading the recovery of the Charlotte region's visitor economy was at the forefront of our efforts in FY21. The CRVA's strategic approach, evidence-based decision making, thoughtful management of resources, disciplined execution of strategy 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 challenges presented by the pandemic and its ongoing effects on the health of our community, industry and residents.

### **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 develop, build and strengthen. 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 the ongoing pandemic fatigued the mental, emotional and physical health of CRVA team members.

To measure employee engagement, the CRVA partners with Qualtrics, an expert in employee experience data and analysis, to conduct an annual comprehensive survey called CRVA VOICE. The CRVA's overall engagement index was 87 percent favorable, placing the organization within the 82nd percentile of 1,200 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 illustrated a very positive perception of Diversity, Equity & Inclusion, growth and development and employee safety.

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. A company-wide message from the CEO providing relevant and timely COVID-19, organizational and industry updates was delivered weekly throughout FY21. Empathy and encouraging team members to monitor and care for their physical and mental health was a recurring theme. The

CRVA Health & Wellness and Learning & Development teams delivered several webinars on important topics, like stress management and vaccine awareness as part of a robust employee development program.

While Facility Operations staff continued to maintain our venues and many team members began welcoming guests as activity increased in FY21, a number of employees also worked remotely. The CRVA empowered team members from various levels and departments to help in the formation of a return to workplace plan. This group closely monitored health recommendations from leading organizations to advise on how to best protect our team members and promote a safe environment which mitigated health risks. CRVA leadership also developed a return to office/venue plan that included hybrid work arrangements. The plan was an extension of the thoughtful and empathetic approach the CRVA took in support of team members at the start of the pandemic. It also reflected a commitment to trying new ways of creating an atmosphere that fosters strong employee engagement.

The CRVA has a firm commitment to diversity and inclusion, rooted in its Core Values and supported by a longstanding employee-led advisory committee. That work was enhanced in FY21 as the organization sought to “dig deeper” into the heightened awareness around the issues of racial equity and social injustice. A special Diversity, Equity & Inclusion (DEI) task force, comprised of team members from various levels across the organization, was established to develop strategic recommendations based on focus areas that emerged from employee feedback. In total, the group brought forth 19 recommendations, nine of which were ready for implementation and are subsequently being introduced in FY22 including Juneteenth as a paid holiday and more required compliance courses on key topics, beginning with Overcoming Unconscious Bias in the Workplace.

## **FINANCIAL APPROACH**

Remaining flexible and agile became our normalized financial approach in 2020, the year the organization began scenario planning to enable a swift response to the volatile pandemic environment. In FY21, we continued to plan and manage our finances carefully, with strategic and tactical plans informed by a dedicated analytical framework. We use timely data in our decision-making processes and critically evaluate this information as we seek to maximize our revenues and other resources, such as staffing and time.

The pandemic continued to impact CRVA revenues in FY21, especially for business meetings, conferences, ticketed events, general admissions, exhibitions, and trade shows. The decline in business travel, working from home, and the changes companies made because of the new hybrid work environment clearly affected our operations. However, we continue to manage our expenses well in the face of lower revenues in most of our venues. Our external support remained steady, just as it has historically. Simultaneously, some of the CRVA’s operating revenues began to climb, slowly but steadily, during the summer of 2021, with the help of “in the year, for the year” events, shows, a strong performance from the NASCAR Hall of Fame and other types of revenues.

As we look towards a post-pandemic recovery process, the ability to seamlessly adapt and adjust will emerge as critical tools for our industry. Cognizant of our destination stewardship role and responsibility to our partners, we continue to invest resources strategically to the benefit of the entire Charlotte region.

# CHARLOTTE DESTINATION MARKETING

To meet the challenges associated with the pandemic, the CRVA adapted and evolved its leisure marketing efforts to address three key areas: 1) effectively connect with prospective visitors with relevant, health and safety-conscious messaging; 2) support hospitality businesses hit hardest by COVID-19, especially hotels; and 3) continue to find ways to build on the place branding momentum that was launched in 2018.

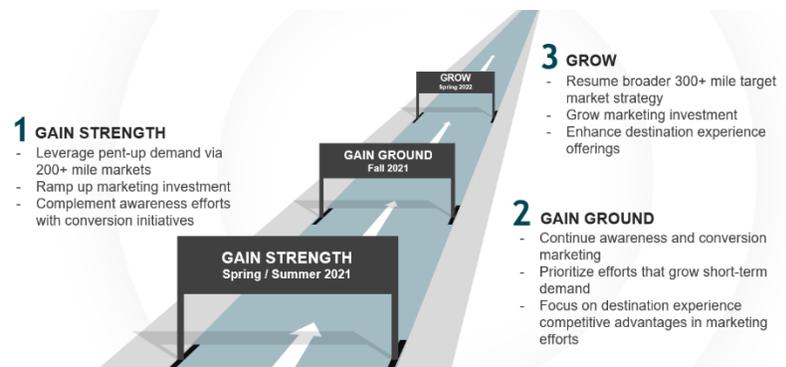
Road trips topped travel planning lists throughout the pandemic as individuals preferred to stay closer to home. In turn, the CRVA's 300-mile radius target market strategy strongly aligned with this trend, while the message was tailored to meet the demands of the pandemic environment. Of the 12 key paid media markets in that defined 300-mile radius, closer-to-home markets were prioritized. Charlotte is also represented as a key market to connect with residents who host visiting friends and relatives, which represents half of the city's nearly 30 million annual visitors. Meanwhile, the media mix for FY21 included an assortment of traditional channels such as television and print, supplemented by strong digital marketing tactics including digital display, paid search and social, content partnerships with third party platforms and more. All additions to the media mix were carefully selected to connect with prospective visitors based on how they were consuming media while also keeping the traveler sentiment data and state and county health guidelines top-of-mind. The CRVA launched several campaigns as part of this target market and media mix strategy, which are detailed below.

## “Rediscover Charlotte” Campaign

New television, digital and print creative depicted the COVID-19 reality but worked to inspire prospective trips to Charlotte using authentic visuals and experiences. Six television spots total, updated print visuals and new digital display units integrated specially created “quarantine personas” to adapt respective messaging. Each was an invitation to rediscover Charlotte and a reminder to locals and travelers alike that the Queen City is a destination where your passions come to life. The “rediscover” campaign tags included invitations such as: “Take a break from binge-watching. Reclaim your nights out.” and “When your workouts hit a wall. Revisit the outdoors.” that drove to high-impact, timely digital content on charlottesgotalot.com.



The launches of these efforts marked a strategy shift for the CRVA as well. The FY20 “Wait, Ready, Set, Go” strategy utilized since the onset of the pandemic was complete and the team shifted to an updated “Gain Strength, Gain Ground & Grow” long-term strategy. The goal was to leverage the pent-up travel demand in the short-term, then continue conversion-centric marketing approaches to drive weekend

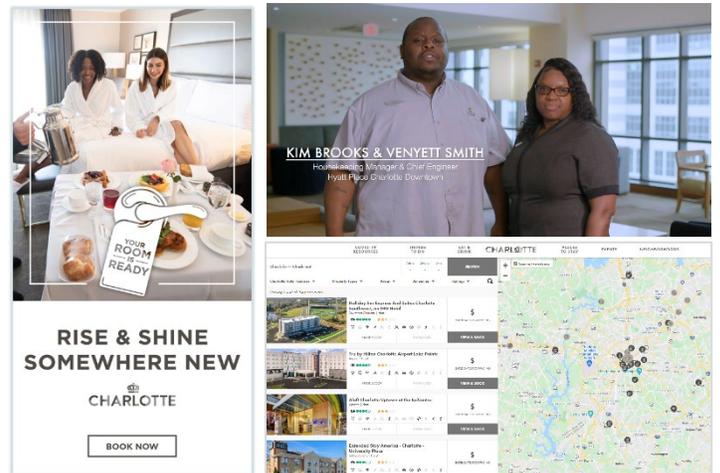


demand and enhance destination experiences. The last phase of the updated strategy was to expand to a 300-mile footprint and beyond, while maintaining or growing the CRVA's marketing investment.

The media plan implemented sophisticated digital tactics such as programmatic retargeting to sequence different ads in a user's online experience based on their behavior and create strong advertising frequency. The team also layered in additional digital content marketing with media outlets and travel-related brands that showcased COVID-conscious itineraries and promotions to help spur hotel bookings.

### ***"Your Room Is Ready" Campaign***

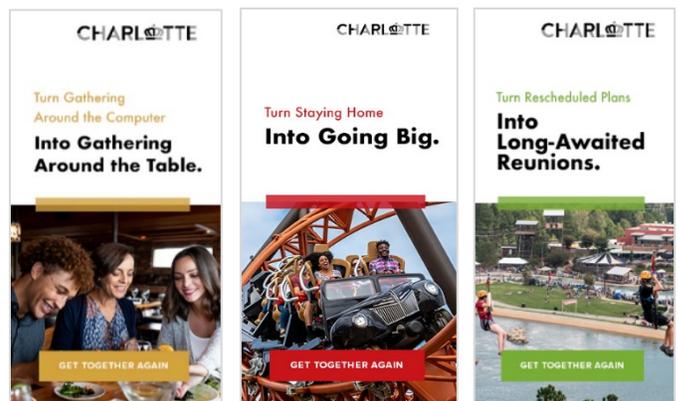
To bolster marketing efforts leading into the late spring, summer and beyond, the CRVA launched a "Your Room is Ready" campaign to complement recovery awareness efforts. This hotel-oriented campaign sought to drive weekend getaways by lifting up innovative and personalized health and safety protocols at Charlotte properties. Hotels featured in the videos were representative of the safe and welcoming accommodations that a visitor could find in Charlotte. The campaign complemented the "Rediscover Charlotte" campaign with both creative formats working in tandem. Based on how prospective visitors interacted with general recovery awareness advertising, subsequent "Your Room is Ready" ads such as :15 or :30 pre-roll ads, social media ads and digital display ads layered in via concentrated retargeting tactics with a more direct "Book Now" call to action.



This campaign launch also marked the debut of an online travel agency (OTA) called RootRez being integrated into the charlottesgotalot.com "Places to Stay" section. The addition is a significant user experience addition to the website and now serves as the landing page for many of the CRVA's digital advertising calls to action. The integration provides much more robust room type overviews, rate detail by date, traveler reviews, amenity descriptions and more to allow travelers to book on the site rather than other online sources. Most importantly, where most OTAs require 20 to 25 percent commission per room booking of the hotels, the CRVA "Places to Stay" enhancement will have no commission. The platform is an investment the CRVA is making on behalf of partner hotels to help drive conversions with highly relevant travel resources on the site.

### ***"Together Again" Campaign***

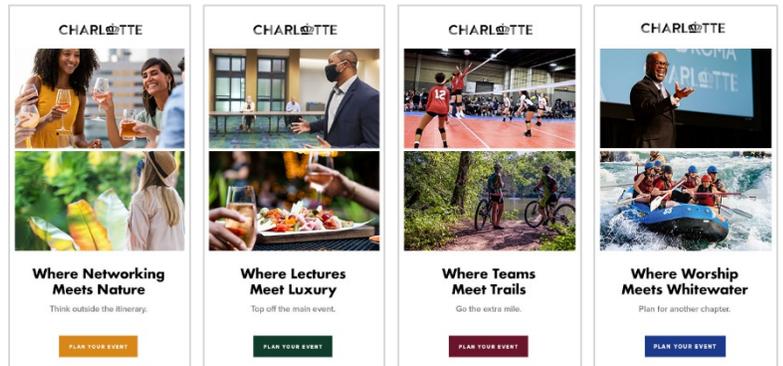
While the majority of paid media budget is spent out-of-market to attract visitation, the CRVA also strives to focus on initiatives that connect with residents who host visiting friends and relatives (VFR) in hopes that they become better advocates for the city and help VFR do more, see more and spend more while in Charlotte. As mentioned, this market segment represents more than half of Charlotte's annual visitation.



The VFR campaign “Together Again in Charlotte” spotlighted friends and family moments in time of personal reconnection. This campaign ran through the summer months, as leisure travel and activities grew increasingly safe given the state of COVID-19 transmission rates at the time. Creative was inspirational and emotive with advertising tags such as “Turn remote connections into reconnecting with family,” “Turn gathering around the computer into gathering around the table” and “Turn video calls into brewery crawls.” In-market advertising calls out recognizable locales to spark VFR hosts with inspiration related to destination experiences they may have been missing over the last year. Ads drove to a full suite of customized content on charlottesgotalot.com featuring articles such as “How to Host Friends and Family in Charlotte” and “Gather Around: Dining Options for Groups in Charlotte.”

**Meetings Promotion Campaign**

Knowing that the pandemic greatly impacted the way meeting planners were doing business, an evolved paid media strategy took shape to replace the heavy tradeshow sponsorship activations and print paid media emphasis. New replacement initiatives better connected with meeting planners in the remote and virtual environment. The CRVA launched a new digital display campaign in the spring to target short-term bookings via sports, corporate and local regional planners in addition to long-term bookings via association, religious and corporate planners. The campaign targeted these audiences via LinkedIn sponsored content ads and job title retargeting as well as display that utilized keyword search, email databases and more focused targeting tactics. Creative is a seamless counterpart to leisure digital display ads, incorporating photography style, color and brand voice. However, the message for planners is meant to show the juxtaposition of how meeting attendees can experience “only in Charlotte” destination attributes with copy such as “Where Networking Meets Nature.”



In addition to the new digital strategy, media buys with meetings publications focused on a breadth of digital and print assets such as sponsored content, white paper inclusions, digital ad inventory, e-newsletter inclusions and more. Strong partnerships with Meetings Today, PCMA Convene and Prevue are representative of this evolved approach with a combination of paid assets to create strong frequency with planners. New additions also include advertorials running in Black Meetings & Tourism.

**Results**

Destination marketing continued through the end of June, generating impressive results. With the emphasis on a more condensed radius of 200 — 250 miles surrounding Charlotte and a goal of capturing pent-up travel demand, spring paid media generated roughly 63,000 hotel bookings, \$18.4 million in hotel revenue and 28.9 million impressions with new searches and booking was still occurring into early FY22.



In total for FY21 from fall to early summer, exposure to CRVA advertising produced a 22 percent hotel revenue lift in Mecklenburg County in weekend leisure performance. That equates to \$26 million in additional hotel revenue

generated by travelers who were exposed to CRVA paid media. According to Arrivalist, a visitation intelligence platform that tracks mobile data to understand traveler behavior, visitors exposed to CRVA advertising were 1.55 times more likely to choose Charlotte than visitors who weren't exposed to paid media with 41 percent staying overnight and traveling approximately 110 miles.

## Operational Performance



### **BOJANGLES ENTERTAINMENT COMPLEX**

FY21 brought guests to Bojangles Coliseum and Ovens Auditorium, just in a non-traditional fashion. Restrictions on mass gatherings limited hosting ticketed and private events until March but the complex was able to support the community in other ways by utilizing available indoor and outdoor space.

Early voting took place in the East CLT room, where just under 13,000 Mecklenburg County residents cast their votes. In November, the BOplex parking lots were utilized for drive-through COVID-19 testing, which was still ongoing at the conclusion of FY21. In early January, Mecklenburg County began using the East CLT room again, this time to administer first doses of COVID-19 vaccines to the community. Shortly after, the County partnered with StarMed who began administering second vaccine doses onsite. Vaccine distribution continued through the end of the fiscal year and into the fall months of FY22. It's estimated that tens of thousands of vaccine doses were administered at the complex. The BOplex was proud to serve as one of the main distribution points set up by County health officials when the vaccines first became available to the public.

The Charlotte Checkers, the main tenant at the BOplex, sat out the shortened American Hockey League season and focused on preparing for the 2021-22 season. They announced their new affiliation with the Florida Panthers and will also host prospects from the Seattle Kraken in a partnership reached between the two NHL franchises. The Checkers moved into their new administrative space in the connector under a lease with the CRVA. We anticipate this proximity will lead to greater synergy with the BOplex staff and strengthen an already good working relationship.

The return to traditional events began in March with Bojangles Coliseum serving as a regional host site for the WNIT Basketball Tournament. The Charlotte Thunder arena football team also kicked off their season in March with the first of their seven home games played in front of limited capacity, socially-distanced ticketed fans. May brought the start of graduations, with both Johnson C. Smith University and Charlotte Catholic High School holding their ceremonies in front of family and friends. Charlotte Mecklenburg Schools followed with a total of 34 ceremonies in Bojangles Coliseum and Ovens Auditorium.

While ticketed events in FY21 were limited, extensive preparation and outreach to clients and promoters positioned both venues for a strong performance in FY22. The complex also stands to reap the benefits of the new connector facility, which creates more revenue opportunities for private meetings and hospitality functions in the East CLT room. At the close of the fiscal year, the roster of upcoming scheduled events at BOplex was very strong, including a full season of AHL hockey, several popular shows at Ovens and a five-week run of the smash hit WICKED, the first touring Broadway production to be staged since the start of the pandemic.



## 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 group business helps drive hotel occupancy, room rates and hospitality tax collections throughout the Charlotte region.

During FY21, the Convention Center continued to operate under North Carolina's COVID-19 guidelines for large venues which limited capacities and the ability to host large mass gatherings. The impact of the pandemic challenged the convention industry as many meeting planners faced difficult decisions and turned to virtual platforms forgoing live events. The Convention Center Sales team navigated 139 event cancellations, rescheduling 54 annual local events to FY22/23 and 15 regional/citywide events to future years. This activity maintained \$6,668,662 in revenue for future dates.

After the Convention Center Operations teams implemented the CRVA's "We Clean With Care" COVID-19 health and safety protocols, the focus on drawing future events ramped up. We hosted 16 planning site visits for future events and another 17 new opportunities, of which six signed contracts, two have contracts under review and another has given a verbal commitment. This activity represents \$639,755 in rent and \$1,220,000 in catering future revenues. Some of these events include Southern Area of the Links, Inc., Abbey Carpet, American Orthotic & Prosthetic Association and National Association of Landscape Professionals.

As state NCDHHS guidance began to loosen in Q3 and Q4 of FY21, our Convention Center team partnered with event planners to execute events with detailed health and safety plans. In all, 13 events were hosted in the Charlotte Convention Center with a total reported attendance of 25,442 and \$993,935 in revenue. This included four conventions, three assemblies, two consumer shows, three meetings and a movie production shoot. Notable events included the scaled down 2020 Republican National Convention, Religious Conference Management Association (RCMA) Emerge, Restaurant Facility Management Association, Special Operations Medical Association, Encore Cheer Tournament and Volleyball Anarchy Queen City Classic. Approximately 7,000 hotel room nights were associated with these activities.

RCMA was the first convention tradeshow to move forward with an event. Of the 350 attendees, 95 percent reported feeling extremely comfortable with the health and safety protocols in place at the Convention Center. With the COVID-19 environment being very fluid, the Operations teams successfully adapted to ever-changing NCDHHS and FDA guidelines.



Health and safety guidelines that were developed as part of the "We Clean with Care" initiative helped to achieve our Global Biorisk Advisory Council STAR Facility Accreditation, the cleaning industry's only outbreak prevention, response and recovery accreditation. The Convention Center was one of the first facilities in North Carolina to receive this distinction. New technologies included needlepoint bipolar ionization air purification as an added layer of protection to eliminate and neutralize disease-causing pathogens. Expanded protocols included health screenings, temperature checks, staggered entries, room settings for social distancing, high touchpoint and electrostatic cleaning, plexiglass shields in food and service booths, no contact Food & Beverage options and cashless transactions at

concession outlets. We partnered with our preferred audio/visual provider to offer hybrid meeting options to clients and sought to not just meet but to exceed guest expectations.

In response to increased demand for support services due to COVID-19 and a decreased demand for meetings, the CRVA partnered with Second Harvest Food Bank of Metrolina to leverage available space in the Convention Center's exhibit halls as an additional workspace and staging area which temporarily expanded the non-profit organization's capacity. Our Culinary team supported the Stew of Sustainability program by preparing and packing 16,400 pounds of food that could be frozen and distributed to local non-profits, such as Roof Above, to provide hearty meals to neighbors in need. More information can be found in the Charitable Giving & Community Support section of this report.

The Charlotte Convention Center's \$126.9 million expansion construction project, which began in September 2019, neared completion at the close of the fiscal year. The 50,000-square-foot expansion increased the number of meeting spaces from 41 to 55 and created an overstreet pedestrian walkway to the 700-room Westin Charlotte and the LYNX Blue Line Stonewall Station. The walkway features a dynamic public artwork that we anticipate will be a favorite spot for residents and visitors alike. This investment in our industry's infrastructure directly addresses meeting planner feedback and will bring new business to the region, increase Charlotte's competitiveness as a destination and solidify the city's reputation as one of the premier meetings destinations in the Southeast.



As part of the Convention Center expansion project, we relocated the DAS (Distributed Antenna System) main equipment area. In addition to the current DAS system, we placed a new upgraded system in parallel with the old one which will enhance the experience for guests while at the venue. In partnership with Smart City Networks, the entire network system was upgraded including core equipment, edge equipment and wireless systems. The upgrade included the latest WiFi technology and will deliver faster service and a cleaner air space.



## **NASCAR HALL OF FAME**

The NASCAR Hall of Fame 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. The venue draws overnight visitors from across the country and internationally, delivering on an essential aspect of the Hall of Fame's mission to create economic impact for the Charlotte region as a signature, must-experience iconic landmark. Enshrinement in the NASCAR Hall of Fame is now universally considered the pinnacle of a career in NASCAR and is tied to the aspirations of so many in a storied industry with deep roots in the Charlotte region. The NASCAR Hall of Fame proudly serves as the recognized home for honoring NASCAR's evolving history, celebrated heritage and family-oriented traditions.

### Reopening and Results

Following six months of pandemic-induced closure, the Hall of Fame reopened on Sept. 16, 2020, using a careful, phased approach to ensure all team member training and safety protocols through the CRVA's "We Clean with Care" initiative were successfully tested prior to opening. The many enhancements implemented in the venue include rigorous sanitizing and disinfecting, installation of needlepoint bipolar ionization air purification technologies, and becoming the first museum in the nation to achieve Global Biorisk Advisory Council STAR™ Facility accreditation. All these enhancements leveraged the CRVA's shared services approach to facilities management.

The team's extensive work and preparation to welcome guests back can be seen in key performance indicators. Customer surveys and anecdotal evidence reflect strong guest satisfaction and comfort relative to cleanliness and safety while in the venue. Net Promoter Scores (NPS) — a widely used metric of a person's experience — for Hall of Fame general admission guests remain above 80 percent, which is eight percent higher than pre-pandemic levels. Many companies considered best-in-class for customer service average NPS scores in the high 60s to low 70s. The extremely favorable NPS is a testament to employee training and engagement and is reflective of team members' commitment to delivering memorable experiences.

General Admission attendance for the first 12 months following reopening exceeded 90,000 guests. During the first six months, attendance was approximately 30 percent ahead of similar facilities nationwide. By April and continuing through the end of FY21 and beyond, attendance grew to exceed 2019 metrics by 35 percent. Per cap spending by guests tracked roughly 10 percent ahead of prior years for tickets, package purchases and Gear Shop retail purchases. Enhancements to the NASCAR Hall of Fame online ticketing process created a more user-friendly experience and higher conversion rates, resulting in a significant increase in total online revenue.



### Induction

The Hall of Fame team worked collaboratively with NASCAR on changes to the Induction Dinner and Ceremony due to the transition from five to three inductees that began with the Class of 2021. We evaluated several scenarios and dates were evaluated for the most appropriate approach to the week of activities, originally scheduled for early February 2021. Ultimately, we decided the most responsible approach given the pandemic was to hold the event in January 2022. Throughout FY21, we implemented substantial virtual programming and social media promotions to celebrate the Class of 2021 as a way to maintain awareness and interest in Hall of Fame Induction Week events.

### Exhibits, Curation & Industry Relations

Reflecting both the talent of staff and quality of exhibits, the NASCAR Hall of Fame and its partner, Cortina Productions, were recognized with a Silver MUSE Award from the Media & Technology Professional Network of the American Alliance of Museums (AAM) for the NASCAR Hall's augmented reality engine interactive experience. The AAM is the premier association for museums both in the U.S. and international and the MUSE Awards recognize outstanding achievement in museum media.

The Exhibits team supported the Hall of Fame's mission to be recognized as the home for honoring NASCAR's evolving history, celebrated heritage and family-oriented traditions through the regular updating and changing out of exhibits. Two of the most noteworthy updates include designing and installing:

- "A Legendary Decade: The First 50 Inductees" a retrospective that celebrates the first 10 induction classes including one car or truck from each class that were the cornerstones of their respective exhibits as well as visual summaries of all 50 inductees and their Hall of Honor displays.
- "Jimmie Johnson: One Final Time" including the car driven by seven-time NASCAR Cup Series Champion and future Hall of Famer Jimmie Johnson in his final race at Phoenix Raceway, 20 uniforms from each of his NASCAR Cup Series seasons and six trophies from his iconic career.

The NASCAR Hall of Fame Foundation received its first-ever cash donation to purchase a significant artifact in NASCAR history. Through a \$45,000 donation from the Alan D. Kulwicki Donor Advised Fund, the Hall of Fame acquired the 1992 Ford Thunderbird that Alan Kulwicki '19 drove in the last race of the season to clinch the 1992 NASCAR Cup Series Championship. This race is considered one of NASCAR's most historic season finales.

The Hall of Fame continues to solidify its reputation as the premier location for honoring NASCAR's evolving history. Major industry announcements hosted at the venue include Trackhouse Racing's purchase of Chip Ganassi Racing and Brad Keselowski becoming an owner partner and driver with Roush Fenway Racing.

### Education

Despite the pandemic, the Hall of Fame's SPARK! Education program maintained its reach in number of students impacted by its programs. The NASCAR Hall of Fame Foundation continued to provide access to learning opportunities for low-income students. During FY21, the education program served 10,623 students: 9,823 virtually, 295 on-site and 505 off-site.

The Education team grew its program to include on-site, virtual live, virtual recorded and off-site experiences, making its offerings nimble and adjusting to the decline of in-person activities. Numerous CRVA departments collaborated on the innovate process of converting education programming to online offerings. Just two weeks after the pandemic forced a lockdown, eight virtual modules launched, eventually expanding to 27 content programs for 1st-12th grade students. Modules ranged from 10-60 minutes and covered a wide range of STE(A)M- and health-based education topics.



Building on the success of its core educational programming, the Hall of Fame launched its first ever in-person summer camps, selling out all three weeks offered. The camps expanded the venue's community outreach, supported audience loyalty-building efforts and created a new revenue model. The Hall of Fame also forged a strategic relationship with the Girl Scouts of America, developing a customized educational program that reached nearly 7,000 scouts nationally and internationally.

The NASCAR Hall of Fame proudly served as the location for 40 area high school students to participate in Sports Biz Camp CLT '21. The camp, hosted in partnership with NASCAR, aims to increase social mobility for students through education and to expand diversity within the sports industry. Attendees were provided career guidance, industry insights and a VIP guest experience.



### **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 FY21. Team responsibilities enhance the overall experience the Charlotte community and visitors have at the venue.

For FY21, operational 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 a valued 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.

Spectrum Center was opened to the community and served as an early voting site in November of 2020 as well as a vaccine clinic site in March of 2021. The Charlotte Hornets restarted a shortened NBA season December of 2020, which included stringent guidelines for a safe return to games. Limited fans were welcomed back in March of 2021 and the Hornets finished 10th in the Eastern Conference. The Charlotte Venom, the NBA E-League team, finished 2nd in the Eastern Conference.

Under the restrictions, the CRVA restructured departments and worked toward goals that better aligned with the current environment. During this time, the CRVA, HSE, Jani-King, and Levy continued to work together and ensure the building continued to meet Global Biorisk Advisory Council STAR Facility Accreditation standards. Adjusting standard operating procedures, ensuring completion of sanitation and cleaning checklists and building an effective quality control program were among those standards. The team also assisted the Hornets in becoming Well-Building Certified and Share Care Health Security verified. 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. These projects included the Honeywell Health Building program and the start of the KOLO Smart Washroom program. Spectrum Center also took this time to revamp its internal Health and Safety and Sustainability committees. The Sustainability committee created a new charter in line with the City of Charlotte Sustainable Energy Action Plan to be carbon neutral by 2030.



### **VISIT CHARLOTTE**

COVID-19 greatly affected meeting planners' ability to book new or conduct existing business on a worldwide basis. Considering that extensive disruption, Visit Charlotte had a remarkable year by booking 137 events, totaling 225,437 room nights. This represents booking 72 percent of the business that would have historically been confirmed based on non-COVID historical averages (approximately 310,000 total room nights). Of the 137 events, 15 were booked for the Charlotte Convention Center, generating 61,346 room nights. Youth and

amateur sports accounted for 135,304 room nights, representing 60 percent of the total. The Venue Sales team booked \$96,255 in event revenue at CRVA-managed facilities, predominately at the NASCAR Hall of Fame which was clearly less than the \$1 million average years' historical bookings. Smaller meetings also played a significant role in achieving these positive booking numbers, contributing 31,814 room nights or 14 percent of the total.

The Sales team navigated the impact of the pandemic by focusing on retaining existing business and maintaining strong relationships with meeting planners and tournament organizers. Modest improvements in traveler and meeting planner sentiment in the latter half of FY21 resulted in a gradual increase of customers being more willing to look at restarting their booking process. This led to site inspections and trade shows beginning a slow climb back to historic activity levels previously experienced. The Sales team began travelling to meet customers prior to the end of FY21, which was an excellent sign of Charlotte's appeal and the relationships built and maintained by team members. The CRVA's consistent use of industry data to drive research-based decisions around sales and marketing efforts and key messaging played an important role in our success.



### Destination Services

After anticipating a very busy year for citywide conventions, Destination Services — which supports events after they are contracted — quickly shifted to help customers explore new dates for their meetings, seeking to retain as much business as possible after pandemic concerns halted many plans. The team worked diligently with the Sales team to re-book definite meetings for future years, successfully moving 253,816 total room nights.

For meetings that chose to move forward with in-person events in accordance with capacity limitations in effect at the time, health and safety plans were established and implemented by CRVA team members in collaboration with the client. Three key groups initiated health and safety plans for their events:

- The Republican National Convention held a down-scaled convention in late August 2020 to handle official business and announce a formal nomination of their candidates.
- The Religious Conference Management Association held its annual EMERGE gathering in March 2021 (rescheduled from January). The EMERGE Expo featured more than 200 planners of faith-based meetings from around the country and drew approximately 400 attendees.
- Volleyball Anarchy held the Queen City Classic tournament in April (rescheduled from February) with 35 courts set up in the Charlotte Convention Center exhibit halls.

By June 2021, restrictions eased, and the team supported two additional citywide events — the Restaurant Facility Management Association and Special Operations Medical Association.

The Destination Services team also provided support to 14 conferences hosted at regional hotels and 30 amateur sporting events that were held at various venues including Matthews Sportsplex and several Mecklenburg County Park and Recreation facilities. Citywide sporting events attracted a high volume of visitors and media attention, such as the 2020 ACC Championship Game (football), 2020 Duke's Mayo Bowl, 2020 NCAA Division I Men's & Women's Soccer Tournament (1st & 2nd Rounds), 2021 Postseason WNIT and the 2021 ACC Baseball Championship.

With the support of Marketing and Communications, the Destination Services team strategically sought to enhance its digital and social media presence, revamping the Destination Services webpages on charlottemeetings.com and charlottesports.com to better communicate with meeting planners and event organizers. Team members also utilized their social media accounts to generate destination awareness on Facebook, Twitter and LinkedIn, together producing nearly 73,000 pageviews.

### Partners in Tourism

Despite the ongoing effects of the pandemic, more than 600 regional companies continued to engage with the CRVA through the Partners in Tourism partnership program. The Partnership team focuses on supporting hospitality-related businesses through invaluable exposure, effective networking and providing access to industry research and information. CRVA Partners in Tourism became a trusted lifeline to regional hospitality partners, whether they were a hotel, restaurant, attraction or service provider.

Heightened communication and expanded outreach to partners via bi-weekly newsletters was heavily focused on CRVA initiatives and COVID-related resources, which garnered a positive response. Creative networking opportunities produced a virtual miniseries platform that further illustrated the CRVA's efforts in support of the visitor economy. Based on the primary objective of helping other businesses, the team launched a flexible renewal plan in January 2021 for most partners within the program. This yearlong offer, along with an introductory incentive for new partners, produced a strong and consistent YTD revenue cycle in Q4 achieving pre-pandemic monthly revenue. Partner businesses have shown immense gratitude during this difficult time as the CRVA continues to demonstrate the value of the Partners in Tourism program and advocates the importance of Charlotte's visitor 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 curtailed in FY21 due to the pandemic although staff continued to make valuable contributions to visitor and resident experiences in the Queen City and across the broader region.

The Airport location was closed for three months and resumed operations in June 2020 with two new initiatives in collaboration with airport officials. In support of traveler and worker safety, FEMA produced facemasks to be made available to the traveling public. Any guest needing a mask can obtain one from the VIC desk and at TSA counters. Over 10,000 masks have been distributed via the VIC located in the baggage claim area. The VIC is assisting with the Sunflower project, a new initiative from the Airport that provides a toolkit of support materials for guests or their family members with unseen disabilities so they can receive additional assistance at the airport and while traveling.

Countering lower volumes of foot traffic at the two Uptown locations, the VIC continues to service meetings held at the Charlotte Convention Center as well as operating the South Tryon location five days a week. The VIC staff successfully distributed the full 250,000 print run of the 2020 Official Charlotte City Guide by taking advantage of regional partnerships as well as in key targeted drive markets where the CRVA advertises. The retail selections offered in the two stores continue to expand and diversify, and now feature products from over 70 small and locally owned businesses and



entrepreneurs who create gifts and Charlotte-branded memorabilia including t-shirts, candles, jewelry, food, pottery, prints and postcards.



## **CHARLOTTE REGIONAL FILM COMMISSION**

The Charlotte Regional Film Commission promotes film and video production across a 16-county region and serves as a central clearinghouse for clients, providing scouting services, an extensive location library, guidance on local permits and processes, and information on regional crew, equipment, stages, and business support services.

In FY21, the Charlotte region played host to Hallmark's "A Nashville Christmas Carol," the TV series "Delilah" from Warner Bros./OWN Network, "The Evolution of Nate Gibson" starring Marcia Gay Harden and Jim Belushi, "Are You There God? It's Me, Margaret" based on the popular Judy Blume novel and starring Rachel McAdams and Kathy Bates, and two TV movies: "County Line: All In" and "County Line: No Fear." All of these productions have been awarded North Carolina Film and Entertainment Grants from the State.

Highlights of the many commercials filmed in the region include North Carolina Department of Health and Human Services COVID-19 Campaign, NCEL, Pepsi, Publix, Sam Adams, SmartKey Security, Techtonics Industries, Volvo Trucks, American Family Insurance, Apple, Barings, Bissell, Brother USA, Carvana, Cobalt Boats, Corvette, Cosamin, DoorDash, ESPN, Express, Food Lion, Fox Sports, General Tire, Harris Teeter, Highwoods Properties, Jeep, Jovē Water, Meineke Car Care, Michelin Tires and Chevy.

Charlotte was used as a still photography backdrop for brands such as Forbes Magazine, GQ, Cato, Chevy, ChowNow, Whispering Pines Sportswear, Perigold and Rack Room Shoes.

A sampling of realty shows filmed in the region include WWE'S Most Wanted Treasures, Hustle to Play, 911 Dispatch, Food Network's Dinner: Impossible and HGTV's House Hunters and My Lottery Dream Home.

The 16 counties served by the Regional Film Commission benefitted from a strong year of film activity in North Carolina in 2021. Total film-related spending in the Charlotte region was a reported \$73.8 million, with 11,912 hotel rooms booked and 2,129 local crew hired. The Charlotte Regional Film Commission responded to 148 leads for a wide array of potential projects.

Film has a synergistic relationship with tourism. Crews that utilize Charlotte as a backdrop stay in area hotels, eat in local restaurants and rely on Queen City service providers, creating valuable tax revenue that benefits the Charlotte community. Over the last several decades, the industry has also created a unique talent pool in the city with jobs that rely on and are dedicated to the filming that takes place here. The CRVA also markets the region's rich filming history as a competitive advantage to generate awareness and increased visibility for Charlotte.

## **Operational Summary**

### **CAPITAL SUMMARY FOR VENUES**

In FY21, approximately \$6.5 million was invested in capital improvements for CRVA-managed venues. Noteworthy projects included escalator modifications in the existing space done in conjunction with the expansion of the Charlotte

Convention Center, new Crown Ballroom chairs at the NASCAR Hall of Fame, chiller replacement at Bojangles Coliseum, seating replacement at Ovens Auditorium and lighting upgrades at Spectrum Center.

## **FINANCIAL SUMMARY**

For FY21, CRVA-managed venues generated revenues of \$11,126,987 and received external financial support totaling \$35,637,229. Operational and capital expenses for the fiscal year totaled \$57,212,829. The resulting \$10,448,613 deficit reduced the CRVA fund balance.

As referenced throughout this report with detail by brand, the global pandemic significantly impacted the ability to generate operating revenues during the fiscal year. The NASCAR Hall of Fame re-opened to the public in mid-September 2020 and produced strong results that continued through the end of FY21. Still, the other venues had limited revenues due to postponed or cancelled events until March 2021, when the venues could host public events again after officials relaxed mass gathering restrictions.

While traditional operations were significantly curtailed, the CRVA maintained its focus, leveraging data and research to drive decision-making, enhance venue operations, deliver exceptional customer and guest experiences, and implement best-in-class group and leisure marketing plans. During FY21, the CRVA's leadership, advocacy, creativity and innovation has supported and accelerated the industry's recovery and helped the organization withstand the pandemic's devastating effects on the region's visitor economy.

As of June 30, 2021, after adjusting for non-cash items, the CRVA pre-audited working fund balance is \$10,951,901. The final audit is available as of December 2021.

## **COVID 19: Impact on Hotel Performance**

While FY20 enjoyed eight months of pre-pandemic levels of activity, FY21 reflects a full year of operations with COVID-19 impacts on hotel performance, mass gathering limits and capacity restrictions, reduced customer activity and fluctuating traveler sentiment. As a result, collectively there were declines in all hotel performance categories in FY21, although a closer look shows signs of recovery in the final three months of the year.

FY21 (July 1, 2020 – June 30, 2021)

- Occupancy: 43.0%, down 22.7% from FY20
- ADR (average daily rate): \$84.32, down 22.3% from FY20
- Demand (rooms sold): 4.64 million, down 17.6% from FY20
- Total Revenue: \$390.8 million, down 36.0% from FY20

The worst of the pandemic's impact on hotel performance in FY21 occurred in the first three quarters.

First nine months of FY21 (July 1, 2020 – March 31, 2021)

- Occupancy: 38.7%
- ADR: \$79.85
- Demand: 3.11 million, down 37% from pre-pandemic
- Revenue: \$248.4 million, down 44% from pre-pandemic

The remaining quarter of FY21 saw gains in hotel performance as vaccinations started to increase, travel sentiment began to improve, and pent-up demand for travel motivated some to seek out regional destinations close to home for short weekend getaways. Building on years of successful awareness and perception gains for Charlotte in its target markets, the CRVA skillfully leveraged this industry research to further guide the implementation of leisure recovery marketing that positively influenced hotel performance through the end of the fiscal year.

Final three months of FY21 (April 1, 2021 – June 30, 2021)

- Occupancy: 55.4%
- ADR: \$93.50
- Demand: 1.52 million, down 17% from pre-pandemic
- Revenue: \$142.4 million, down 33% from pre-pandemic

While the climb back has been a bit uneven, there were indications that a gradual recovery was occurring, led primarily by leisure travel. On Saturday, May 29 of Memorial Day weekend, a single-day record was set for the number of hotel rooms sold in Mecklenburg County at 26,313. By the end of June, the rolling 28-day demand total for Mecklenburg County had closed to within eight percent of 2019 levels, and the rolling 28-day revenue total had closed to within 18 percent of 2019 levels.

The CRVA's destination recovery marketing efforts, outlined earlier in this document, generated impressive results that not only contributed to these gains, but also put Charlotte in a strong position for continued momentum in FY22.

## **CORPORATE SOCIAL RESPONSIBILITY**

The CRVA is proud of its leadership role in the community — as an advocate for the visitor economy, a supporter of the industry and its future talent, and a partner in making the region a better place for those who live and visit here. Several FY21 initiatives advanced the organization's mission and helped positively impact quality of life in the region.

### 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 FY21, the CRVA's Educational Foundation awarded \$27,400 in scholarships to assist 10 students at accredited institutions studying in hospitality-related programs and in related career-development programs. Institutions included Johnson & Wales (Charlotte), East Carolina, Western Carolina, UNC Greensboro and the Community Culinary School of Charlotte (CCSC) which provides workforce development training and job placement assistance in the food service industry. CCSC focuses on training adults who face barriers to successful long-term employment and the CRVA was proud to financially support two students' enrollment in the 14-week program.

### Industry Advocacy

Across the country, National Travel and Tourism Week (NTTW) 2021 recognized the "Power of Travel" and the industry's role in bringing back our vibrant communities, restoring the U.S. economy, rebuilding our workforce and reconnecting America. In Charlotte, the CRVA approached the annual tradition from an advocacy perspective, seeking to build upon the heightened awareness around the importance of a healthy regional visitor economy and express appreciation to industry partners.

Two CRVA marketing campaigns focused on sparking economic recovery for the region's hospitality industry were recognized as finalists for the 2021 ESTO Awards. Powered by the U.S. Travel Association, the awards recognize excellence in destination marketing. The CRVA's restaurant recovery efforts, beginning as "Pitch In. Take Out." and evolving into "Your Table is Ready," were recognized in the Advocacy & Grassroots Campaign category. Judges appreciated the clear ways the campaign communicated how businesses were maintaining safety procedures to provide assurances to customers. In the Integrated Marketing Campaign (\$1-\$5M Overall Marketing Budget) category, the CRVA was honored for its "Rediscover Charlotte" campaign. Successful award submissions present an opportunity to strengthen the CRVA's reputation both in the community and the greater hospitality industry by highlighting brand initiatives that drive results for the region's visitor economy.

Understanding that a key factor in accelerating the recovery of the hospitality industry was getting more people vaccinated, the CRVA launched an internal vaccine awareness program focused on providing education and resources to team members. The effort included sharing up-to-date information on vaccine eligibility and where/how to make an appointment, as well as science-based facts, helpful information and FAQs sourced from trusted entities like the Centers for Disease Control and Prevention and NCDHHS.

The CRVA also participated in the NCDHHS's "Bringing Summer Back" vaccine awareness community outreach campaign during the weeks of May 16-21 and June 20-26. A variety of tactics leveraging CRVA-owned assets were implemented to reinforce the importance of vaccination to key stakeholders, including employees, Partners in Tourism and the local community.

#### Charitable Giving & Community Support

In response to increased demand for support services due to COVID-19 and a decreased demand for meetings, the CRVA and Second Harvest Food Bank of Metrolina partnered together to leverage available space in the Charlotte Convention Center's exhibit halls as an additional workspace and staging area which temporarily expanded the non-profit's capacity. At the conclusion of the year-long initiative an estimated 3.8 million pounds of food passed through the center, 255,618 nutritionally balanced food boxes were packed and readied for transport, and a reported 37,133 volunteer hours were contributed at the operation.

The CRVA continued its longstanding support of an important community nonprofit by hosting a virtual 24-hour employee giving campaign for United Way of Central Carolinas. Times may have been uncertain, but team members understood that the community work the organization supports was more important than ever. In total, nearly \$12,000 was pledged to help provide for the education, health and financial stability of those in need in our community. At a time when corporate employee giving trended downward, the CRVA's contribution was within the midrange for the past five campaigns.

Ahead of the 2020 school year, the CRVA hosted a virtual employee giving campaign to benefit Classroom Central. The traditional live event in the NASCAR Hall of Fame Plaza was prohibitive due to the pandemic, however, online participation was strong, and the campaign raised more than \$2,300 to provide school supplies to benefit in-need children across the region.

Rather than hosting a holiday gathering, team members chose to provide support for community organizations instead. The CRVA team gave more than 80 donations to the Salvation Army, 300 toys to Levine Children's Hospital and \$400 for Veterans Bridge Home. Team members also rallied to support the Arts & Science Council with a giving campaign, raising more than \$4,000. Employee giving and total number of participants exceeded the most recent ASC campaign held in FY19.

## **Recommendations to the City Council**

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.

The City and CRVA work together to position Charlotte as the Southeast's most sought-after destination for visitors, conventions and strategic events. Through our partnership, we should continually develop plans that allow us to invest in assets and strategic marketing 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.

The tourism and hospitality industry produces billions in direct visitor spending in the Charlotte region each year. 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.