About Us

Presenter
Vic Isley
President & CEO
Explore Asheville
Buncombe County Tourism Development Authority

Purpose
The Buncombe County Tourism Development Authority is the public authority created in 1983 by an act of the North Carolina Legislature to oversee the collection and investment of occupancy taxes paid by travelers who stay overnight in commercial lodging establishments, such as hotels and motels, bed and breakfast operations, and vacation rentals.
RESIDENT PERSPECTIVES ON TOURISM

Explore ASHEVILLE
MMGY Travel Intelligence built upon a 2019 Buncombe County study that surveyed residents about their awareness and perceptions of destination tourism and its impact on the community.

Several online panel companies were engaged to reach a random sample of residents of Buncombe County (Asheville and the surrounding areas).

The survey was live from January 19 through February 15, 2022

A total of 382 surveys were completed, similar to the recent poll for measuring support of County residents for the potential bond referendum.

This sample size yields an error range of +/- 5% at the 95% level of confidence.
Key Insight no. 1: While residents agree that tourism poses some challenges, they clearly believe that tourism also provides immense value to the community, and the majority (69%), agree that the positives outweigh the negatives.

- An overwhelming majority, (83%), agree that tourism is beneficial to their community.
I recommend things to do and places to go when my friends and family visit me 90%
I go along with my friends and family to places when they visit me 88%
I encourage friends and family to visit me 80%
I enjoy hosting friends and family in my community 74%
When I come across local tourism news, I enjoy finding out what’s happening 72%
I discourage friends and family from visiting our area 11%
Colorado: What Happens When States Stop Marketing

After the state of Washington took the drastic step of eliminating all tourism promotion efforts, Al White, the current head of the Colorado Tourism Office had a simple message. “Our lesson to Washington is that it’s been 18 years since we went dark in 1993, and we still haven’t gotten back to the national market share we had.”

Colorado offers a vivid example of how even the most dramatic, well-known destinations—and travel brands—can suffer when they fail to promote themselves. According to a 2009 report, The Rise and Fall of Colorado Tourism, when Colorado shut down its travel promotion program in 1993 by cutting the state’s promotion budget from $12 million to zero almost overnight, the consequences were immediate and dramatic:

- **Within one year**, Colorado slipped from first place to 70th place in the summer resort category.
- **By 1997**, Colorado’s overall share of the U.S. leisure travel market plummeted by 30 percent.
- Visitor spending fell dramatically, resulting in an immediate loss in total revenues of $1.4 billion, which increased to $2.4 billion annually by the late 1990s.
- As a consequence, state and local tax receipts dropped by $234 million between 1990 and 1995.

Even Colorado has gotten back in the game. In 2000, the state opened the Colorado Tourism Office with a $25 million annual budget. In 2006, citing demonstrated return on investment, to the state treasury of more than $121, Governor Bill Owens increased funding to $50 million.

Colorado’s experience proves that even a state blessed with an abundance of natural attractions and one of the nation’s strongest travel brands will quickly lose visitors—and tax revenue—without a vigorous travel promotion effort. On the other hand, states and cities that currently direct their travel promotion, even during difficult budget times, are realizing the economic benefits of the power of promotion.

What Colorado lost when it eliminated its tourism marketing program

<table>
<thead>
<tr>
<th>30% loss</th>
<th>market share in overnight leisure trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.4 billion lost</td>
<td>traveler spending within one year of closing</td>
</tr>
<tr>
<td>$2.4 billion lost</td>
<td>traveler spending per year within four years of closing</td>
</tr>
</tbody>
</table>

↓ 17th  From 1st to 17th in summer resort destination visitation
There is some concern that tourism could change the vibe of the community.

78% Agree

I believe growing tourism will change the feeling of the community for residents.

* Out of all the negative statements measured in the survey, this was the one that received the highest agreement.

But this seems to be more of a fear than the current reality.

32%

Of Buncombe County residents believe visitors detract from the culture and character of our community.
Residents report visiting community amenities supported by occupancy taxes through the Tourism Product Development Fund grant process.

Community Amenities Visited or Plan to Visit

<table>
<thead>
<tr>
<th>Community Amenities</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>WNC Farmers Market</td>
<td>78%</td>
</tr>
<tr>
<td>NC Arboretum</td>
<td>74%</td>
</tr>
<tr>
<td>Grove Arcade</td>
<td>68%</td>
</tr>
<tr>
<td>Western North Carolina Nature Center</td>
<td>68%</td>
</tr>
<tr>
<td>Pack Square Park</td>
<td>64%</td>
</tr>
<tr>
<td>Harrah’s Cherokee Center - Asheville</td>
<td>49%</td>
</tr>
<tr>
<td>Asheville Art Museum</td>
<td>48%</td>
</tr>
<tr>
<td>Asheville Riverfront Redevelopment &amp; Greenway</td>
<td>47%</td>
</tr>
<tr>
<td>Asheville Community Theater</td>
<td>42%</td>
</tr>
<tr>
<td>Asheville Museum of Science</td>
<td>39%</td>
</tr>
<tr>
<td>Wortham Center</td>
<td>30%</td>
</tr>
<tr>
<td>Montford Park Players Theater</td>
<td>25%</td>
</tr>
<tr>
<td>Black Mountain College Museum and Arts Center</td>
<td>20%</td>
</tr>
<tr>
<td>JBL Soccer Complex at Azalea Park</td>
<td>20%</td>
</tr>
<tr>
<td>Enka Recreation Destination &amp; Bob Lewis Ballpark</td>
<td>18%</td>
</tr>
<tr>
<td>African American Heritage Museum and Trail</td>
<td>16%</td>
</tr>
<tr>
<td>Center for Craft</td>
<td>16%</td>
</tr>
<tr>
<td>Woodfin Greenway &amp; Blueway</td>
<td>16%</td>
</tr>
<tr>
<td>LEAF Global Arts Center</td>
<td>15%</td>
</tr>
<tr>
<td>YMI Cultural Center</td>
<td>13%</td>
</tr>
<tr>
<td>Buncombe County Wayfinding Signage Program</td>
<td>5%</td>
</tr>
<tr>
<td>None of these</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q. Have you or a member of your household ever visited, or do you plan to visit any of the following community amenities? Select all that apply.

Q. Does knowing that taxes paid by visitors helped fund all these amenities...?

- Makes me feel more positive about the contribution of visitors to our community: 69%
- Does not change my opinion about the contribution of visitors to our community: 31%
VISITOR SPENDING & REVENUE FORECAST
Asheville & Buncombe County total visitor spending

Amounts in millions of nominal dollars

Source: Tourism Economics
DISTRIBUTION OF VISITOR SPENDING

- **FOOD & BEVERAGE**: $610 Million (27%)
- **LODGING**: $609 Million (27%)
- **RETAIL**: $468 Million (21%)
- **RECREATION & ENTERTAINMENT**: $300 Million (13%)
- **TRANSPORT**: $255 Million (11%)
ESTIMATED VACATION RENTAL OCCUPANCY TAX GROWTH

180% Vacation rental sales growth from FY19 to FY22

17% Hotel sales growth from FY19 to FY22

7% B&B sales growth from FY19 to FY22

+$8m Growth in vacation rental occupancy tax collections from FY19 to FY22

+$3.4m Growth in hotel occupancy tax collections from FY19 to FY22

+$60k Growth in B&B occupancy tax collections from FY19 to FY22

Source: Buncombe County, Tourism Economics
HOTEL ROOMS AVAILABLE BY MARKET

Hotel rooms per capita
Source: STR Jan 2022
# FY23 Budget Scenarios Based on State Approved Allocation Levels

<table>
<thead>
<tr>
<th></th>
<th>Operating Fund</th>
<th>TPD Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY22 Forecast</td>
<td>27,325,811</td>
<td>9,108,604</td>
<td>36,434,415</td>
</tr>
<tr>
<td>FY23 (2/3 and 1/3)</td>
<td>27,205,360</td>
<td>13,600,640</td>
<td>40,806,000</td>
</tr>
<tr>
<td>*FY23 (2/3 and 1/3) +$2m fund balance to operating budget</td>
<td>*29,205,360</td>
<td>13,600,640</td>
<td>42,806,000</td>
</tr>
<tr>
<td>FY23 (3/4 and 1/4)</td>
<td>30,604,500</td>
<td>10,201,500</td>
<td>40,806,000</td>
</tr>
</tbody>
</table>

*Recommendation to allocate $2 million from fund balance to FY23 operating budget, should legislation change to two-thirds/one-third split
EXPLORE ASHEVILLE’S STRATEGIC IMPERATIVES
# Buncombe County 2020-2025 Strategic Plan – Community Focus Areas

## Vibrant Economy
A robust and sustainable regional economy that builds on our homegrown industries and talent and provides economic mobility for residents

### Asheville City Council 2020 Focus Areas
- A thriving local economy
- A financially resilient city
- Quality affordable housing
- Transportation and accessibility
- A well-planned and livable community
- A clean and healthy environment
- An equitable and diverse community
- A connected and engaged community

## Resident Wellbeing
Our residents are safe, healthy and engaged in their community

## Environmental & Energy Stewardship
High quality air, water, farmland & renewable energy for future generations

## Educated & Capable Community
A county where all residents thrive & demonstrate resilience throughout their lives

## Explore Asheville (BCTDA) Strategic Pillars
- Deliver Balanced Recovery & Sustainable Growth
  Balance visitor and resident needs. Focus on the quality of each visit.
- Encourage Safe & Responsible Travel
  Encourage the care for and respect of natural, cultural and human resources. Grow our outdoor economy.
- Engage & Invite More Diverse Audiences
  Extend a genuine invitation and make community connections for all to win.
- Promote & Support Asheville’s Creative Spirit
  Share stories of creators and makers and support place making.

## Asheville Greater (Chamber of Commerce) Vision
- Economic mobility and shared prosperity (grow the pie, block-by-block, child’s first years)
- Growing up (land, transportation, housing, resources)
- A place for all people (young families, retirees, people of color)
- Leadership (shared vision, intergenerational leadership, regional, balanced scorecard)

## UNC-Asheville Strategic Priorities
- Increase fiscal capacity and resilience
- Deepen and broaden our public impact in the region
- Evolve and innovate curriculum

## Dogwood Health Trust Strategic Priorities
- Jobs (bolster the infrastructure for a growing economy)
- Health and wellness
- Affordable housing
- Education (early childhood, K-12, post-secondary)

## United Way of Asheville and Buncombe County (UWABC) Key Drivers for Change
- Commitment to students, families and the Community School
- Commitment to diversity, equity and inclusion (DEI)
- New players, new leadership

## The Community Foundation of Western North Carolina (CFWNC) Focus Areas
- People in need (supporting marginalized populations)
- Natural/cultural resources
- Food/farming (support sustainable local food)
- Early childhood development
Explore Asheville Convention & Visitors Bureau

Our Strategic Imperatives

- Deliver Balanced Recovery & Sustainable Growth
- Encourage Safe & Responsible Travel
- Engage & Invite More Diverse Audiences
- Promote & Support Asheville’s Creative Spirit
Balance resident and visitor needs, recognizing the necessary role that sustainable, long-term growth of travel has in achieving a healthy, collective economy.

Focus on the quality of each visit to our community - balancing growth across the seasons, business and leisure travel, and throughout Asheville and Buncombe County.
2022 TPDF FUND CYCLE OPEN

$11.6m
TPDF fund balance available as of this meeting

$10.7m
FY22 paid media budget

$15m
TPDF fund balance projected to be available by FY end

$15.3m
FY22 total marketing budget
Encourage Safe & Responsible Travel

Engage residents and visitors with shared values to care for and respect natural, cultural and human resources vital in delivering quality guest experiences.

Collaborate with community organizations, local businesses and environmentally focused partners to support the sustainability and growth of our outdoor economy.
from the sidewalks to the trails

**LOVE THIS PLACE**

**LEAVE NO TRACE**

#recreateresponsibly

- Plan Ahead and Prepare
- Stick to Trails and Sidewalks
- Keep Wildlife Wild
- Trash your Trash & Recycle
- Be Careful with Fire
- Be Considerate of Others
- Leave it as you Find It

from the city to the summits

**PROTECT OUR WILD AND WONDERFUL SPACES**

#recreateresponsibly
PURPOSE-DRIVEN COMPANIES

• Sales team education through Lenoir-Rhyne

• List of 250 B-Corp prospects created by the team for targeted marketing
Engage & Invite More Diverse Audiences

Extend a genuine invitation to Black travelers and other diverse audiences including LGBTQ visitors – connecting them with local neighborhoods, businesses and entrepreneurs – creating more opportunities for all to win.

Support product development, place making and community connections, enabling new experiences and business opportunities throughout our community.
$1M Investment in Black-Owned Media & Creators

<table>
<thead>
<tr>
<th>Platform</th>
<th>Utilization</th>
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<tbody>
<tr>
<td>TravelDesk</td>
<td>Utilizing intent &amp; behavior based data to engage diverse audiences with travel intent</td>
</tr>
<tr>
<td>Spotify</td>
<td>Diverse network of podcasters to extend messaging in a unique and intimate way</td>
</tr>
<tr>
<td>iHeart Radio</td>
<td>Aligns brand with diverse voices driving today's culture</td>
</tr>
<tr>
<td>NATIVO</td>
<td>Non-invasive, native ads to drive to new and existing content across diverse owned publishers</td>
</tr>
<tr>
<td>thegrio</td>
<td>Drives cross platform conversions to a diverse, tech savvy audience</td>
</tr>
<tr>
<td>THE ROOT</td>
<td>Speak to Asheville as an ideal vacation destination to explore through the lens of Black America</td>
</tr>
<tr>
<td>Facebook, Instagram, TikTok</td>
<td>Endorsement marketing with carefully vetted influencers across a variety of social platforms</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Ad Formats</th>
<th>Accessibility</th>
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<tbody>
<tr>
<td>Display, Video, Retargeting</td>
<td>Live-read and Recorded Podcast Audio Ads</td>
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<tr>
<td>Custom Articles, Native Drivers</td>
<td>Custom Article + Sponsorship</td>
</tr>
<tr>
<td>Branded Articles, High-impact Canvas, Newsletter &amp; Podcast Sponsorship, Display, Video, Social Distribution</td>
<td>Branded Content, Extended Messaging</td>
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</table>

Branded Content, Extended Messaging
AFRICAN AMERICAN HERITAGE TRAIL
Promote & Support Asheville’s Creative Spirit

Share stories of creators and makers who help differentiate our destination through food and drink, visual and performing arts, experiences and more.

Support product development, place making and community connections, enabling new experiences and business opportunities throughout our community.
Year-long partnership includes relocating the Made in the South awards from Charleston to Asheville in November 2022
EXPLORE ASHEVILLE’S STRATEGIC IMPERATIVES