



THIS WEEK'S PROGRAM

August 1, 2023

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Tom Murray and the CRVA

by Rick Handford

Ed Driggs introduced his friend, Tom Murray, CEO of the Charlotte Regional Visitors Authority. It is an important job, because the hospitality industry represents about a seventh of the entire economy of the Charlotte region, and Tom works to promote Charlotte as a destination for visitors through marketing the City and strategically investing the proceeds of the hospitality tax.

With more than 30 years of experience, Murray has long served as a leader in the hospitality industry for some of the nation's largest hotels and travel organizations, including Lindblad Expeditions of New York and InterContinental Hotels Group (IHG).

As Chief Operating Officer of the Americas for IHG, Murray directed the operations of all their hotels in the U.S. and Canada, a portfolio that included 204 hotels, seven brands, and approximately \$2 billion in hotel revenues. He also oversaw the Latin America and Mexico regions encompassing 165 hotels, managing franchising, company-owned and managed development, hotel operations, and third-party owner relationships.

Prior to IHG, Murray served as the Chief Operating Officer & Senior Vice President for Red Lion Hotels & Inns, Hilton Hotel division, where he led all areas of the company's performance. He also held various senior-level positions within Promus Hotels Corporation for 10 years and worked as a controller for Marriott Hotels Corporation prior to that. He graduated from Villanova University with a BS in accountancy.

Ed noted that Tom has announced that after eleven years as CEO, he plans to retire at the end of this year, which is a great loss for Charlotte and the region.

Tom explained that the CRVA serves not only Charlotte-Mecklenburg, but also the fifteen other counties surrounding Charlotte that are included in the Standard Metropolitan Statistical Area (the region). He showed us a slide with 2019 statistics, that being the last year before the pandemic shutdowns and resultant restrictions. These showed that visitors to the region spent \$7.8 billion, supporting 147 thousand jobs (1 in 9 of the jobs in the region), and provided \$383 dollars of tax revenue *per resident* of the region. The hospitality industry is the fourth largest provider of jobs in our area. While 2022 and 2023 numbers are not yet available, Tom is confident that all these numbers for 2022 will exceed those of 2019, indicating that the industry has not only recovered, but has grown since the pandemic.

In 2019 there were 30 million visitors to this market, and in 2022 there were 31 million. Surprisingly, Mecklenburg County has more visitors than any other county in North and South Carolina. Twice as many visitors as any other county in North Carolina; and except for Horry County (Myrtle Beach) which has 25% fewer visitors than Mecklenburg, we have more than twice as many visitors as any other county in South Carolina. Charlotte has historically had more rooms sold on weekdays than on weekends, indicating that visitors were here on business rather than for pleasure. CRVA has been working for years to reverse that ratio, and sometime during the pandemic, it changed so that we now have more rooms sold on weekends than on weekdays, indicating that people are now seeing Charlotte as a destination for food, arts, culture, and events as opposed to mostly business. This is because of the advertising of the CRVA in the areas within a 450-mile radius of Charlotte. Tom is proud of his team for making Charlotte the number-one destination in the two-state area.

The CRVA is rather unique in that it not only handles the marketing of the City and County but also controls or manages many of the venues that they promote, which allows them to provide experiences that measure up to the advertising. They run the Convention Center, the NASCAR Hall of Fame, as well as Bojangles Coliseum and Ovens Auditorium (which they refer to as the "Bowflex"). The revenue numbers for the Bowflex recently exceeded any recorded in the 70-year existence of the complex, even after accounting for inflation, and the other facilities also set records in 2022. In addition to these, they run the back-of-the-house operations for the Spectrum Center (which is owned by the City) and the Film Commission. Their work resulted in over \$1 billion of economic impact in 2022 and should easily exceed that for 2023.

During the COVID shutdowns, the CRVA was able to renovate the Convention Center, adding substantial amounts of meeting space on the roof, connecting the Westin to the Center with a pedestrian bridge, and adding a significant piece of digital art. All these make Charlotte a more desirable venue for conventions and other large meetings.

Bojangles Coliseum is the first open-span coliseum built in the United States. Opened in 1953, it is now a historical landmark. Ovens Auditorium, constructed at the same time, is adjacent. When Tom came to the CRVA, both were losing money, and he thought about tearing them down, but instead worked with the City on a \$50 million renovation of the two spaces, which included connecting them together, adding a major kitchen facility, and upgrading all of the seats in Ovens to equal those of the Blumenthal (although Ovens has 600 more seats). Both facilities are now profitable.

The CRVA's marketing is not only effective but also efficient. For every advertising dollar spent, someone who would otherwise not come here visits and spends an average of \$71, plus \$4 in taxes. In a separate study, it was determined that every \$12 spent on CRVA ads resulted in 1,000 exposures, which is quite good. Their advertising campaign resulted in 2.6 million trips that otherwise would not have occurred, \$272 million of additional spending here, plus \$14.6

million in hospitality taxes to support the work of the CRVA. They advertise in a 450-mile radius around the City and highlight arts & culture, outdoor adventure, and culinary experiences, all reflecting the people who live in Charlotte.

Charlotte is back as a destination city, recovering fully from the pandemic, but not equally. Leisure and group visits are ahead of pre-pandemic levels, but business visits are lagging a bit, most likely because of the use of remote working and electronic meetings depressing business travel. Charlotte has recovered faster than the other cities that the CRVA uses as benchmarks, but even so, is just a bit behind pre-pandemic totals. Of the 20 dates with the most rooms sold, all are post-pandemic, and all occurred on weekends, indicating that we are drawing lots of visitors for major events of all varieties—sports, concerts, conventions, and more.

He ended his talk by talking about their activities to give back to the community, including educational projects and summer camps at the NASCAR Hall of Fame, and the NASCAR Hall of Fame Foundation, which provides support for Title 1 schools in the region. They are a strategy and results-driven organization, currently in the middle of their third five-year plan since Tom arrived, and he is proud that the first two plans met their goals, a rare feat in any organization. This year they expect to generate \$104 million in operating revenue, vs the record of \$75 million set last year.

I recommend that you visit the CRVA website for more information about the organization, and to learn more about things to do in the Charlotte region. <https://www.crva.com/>

*A recording of the program is available here: <https://vimeo.com/851335033>
The program introduction begins at 26:30 minutes.