



# WELCOME

**March 23, 2023**

**Buncombe County Tourism Development Authority Board Meeting**





# CALL TO ORDER

Chair Kathleen Mosher

- Call to order the Joint Meeting of the BCTDA, Public Authority and BCTDA Nonprofit Corporation.



## Board Meeting

Thursday, March 23, 2023 | 9:00 a.m.

Explore Asheville | 27 College Place | Board Room (1st Floor)

Members of the public may attend in person or [register here](#) to view a livestream of the meeting.

### AGENDA

9:00 a.m.	Call to Order the Joint Meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation	Kathleen Mosher
9:05 a.m.	Approval of February 22, 2023 Meeting Minutes	Kathleen Mosher
9:10 a.m.	February 2023 Financial Reports	Mason Scott, Buncombe County Assistant Finance Director/Interim BCTDA Fiscal Agent
9:20 a.m.	President & CEO Report <ul style="list-style-type: none"><li>a. Industry Metrics</li><li>b. Other Updates</li></ul>	Vic Isley
9:30 a.m.	FY24 Budget Process <ul style="list-style-type: none"><li>a. Finance Committee Report</li><li>b. Trends &amp; Forecasts</li><li>c. Establish Revenue Forecast</li></ul>	Matthew Lehman Vic Isley Matthew Lehman
10:00 a.m.	Asheville City Council Update	Vice Mayor Sandra Kilgore
10:05 a.m.	Buncombe County Commission Update	Commissioner Terri Wells
10:10 a.m.	Miscellaneous Business	Kathleen Mosher
10:15 a.m.	Comments from the General Public	Kathleen Mosher
10:20 a.m.	Adjournment	Kathleen Mosher

The next joint BCTDA monthly meeting is on **Wednesday April 26, 2023**, at 9:00 a.m., in the Board Room of Explore Asheville, located at 27 College Place. Please contact Julia Simpson at [jsimpson@ExploreAsheville.com](mailto:jsimpson@ExploreAsheville.com) or 828.333.5831 with questions.

The BCTDA Annual Planning Session is on **Friday, March 24, 2023**, at 9:00 a.m. at Grand Bohemian Hotel, located at 11 Boston Way.

#### BCTDA Mission Statement

*To be a leader in the economic development of Buncombe County by attracting and servicing visitors, generating income, jobs and tax revenues which make the community a better place to live and visit.*



# FOR OUR REMOTE VIEWERS

Chair Kathleen Mosher


For our viewers watching remotely, documents were emailed to everyone who registered on Zoom by 8:00 this morning.

The agenda and meeting documents are available online and additional materials, including the PowerPoint presentation, will be posted later today.

Go to:

- [AshevilleCVB.com](https://AshevilleCVB.com)
- [About the Buncombe County TDA](#)
- [Find out about upcoming BCTDA meetings](#)

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## About the Buncombe County TDA

### What is the Buncombe County Tourism Development Authority?

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 such as Airbnb and VRBOs. The members of the Buncombe County TDA Board have a fiduciary responsibility to ensure that the tax dollars are spent in accordance with the specific legislation governing their use.

- [Meet the members of the Buncombe County TDA Board >>](#)
- [Find out about upcoming BCTDA meetings >>](#)
- [Review past BCTDA meeting minutes & documents >>](#)
- [Read past editions of the Tourism Community Update, providing highlights of BCTDA meetings >>](#)

# WELCOME BOARD & GUESTS

Chair Kathleen Mosher

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- **Welcome board members and guests who are in attendance**
- **Introductions around the room**





# FEBRUARY 22 MINUTES

Chair Kathleen Mosher

Questions/ Comments

## Suggested Motion:

**Motion to approve the February 22, 2023 meeting minutes.**

Motion Second

Additional Discussion

Vote



**Buncombe County Tourism Development**  
**A Joint Meeting of the Public Authority and Nonprofit Corporation**  
Explore Asheville— 27 College Place, Asheville

**Board Meeting Minutes**  
Wednesday, February 22, 2023

<b>Present (Voting):</b>	Kathleen Mosher, Chair; Brenda Durden, Vice Chair, Matthew Lehman, HP Patel, Elizabeth Putnam, Larry Crosby, Michael Lusick, Scott Patel
<b>Absent (Voting):</b>	Andrew Celwyn
<b>Present (Ex-Officio):</b>	Asheville Vice Mayor Sandra Kilgore
<b>Absent (Ex-Officio):</b>	Buncombe County Commissioner Terri Wells
<b>Staff:</b>	Vic Isley, Jennifer Kass-Green, Tiffany Thacker, Penelope Whitman, Julia Simpson, Josh Jones, Ashley Greenstein, Glenn Ramey, Mike Kryzanek, Marla Tambellini, Jay Tusa
<b>Legal Counsel:</b>	Sabrina Rockoff, McGuire, Wood & Bisette/BCTDA Attorney
<b>In-Person Attendees:</b>	Katie Stadius, Zartico John Ellis, Prior BCTDA Board Member Crystal Camacho, Virtelle Hospitality Kit Cramer, Asheville Area Chamber of Commerce Sharon Tabor, Jason Burk; Black Mountain-Swannanoa Chamber Randy Claybrook, Asheville Bed & Breakfast Association Chris Smith, Asheville Buncombe Regional Sports Commission Jason Sanford, Ashvegas.com
<b>Online Attendees:</b>	Andrew Celwyn, BCTDA Board/Herbiary Sha'Linda Pruitt, Mickey Poandl, McKenzie Provost, Emily Crosby, Whitney Smith, Khal Khoury; Explore Asheville Staff Jim Muth, TPDF Committee Chip Craig, GreyBeard Realty Lacy Cross, Movement Bank Koree Case, MMGY Global Chelsey Hett, Love The Green Chris Corl, City of Asheville Sarah Kilgore, Kessler Collection Garrett Raczek, Thrive Asheville John Harbin, WLOS







# FEBRUARY 2023 FINANCIAL REPORTS

Mason Scott

BCTDA Assistant Finance Director/  
Interim BCTDA Fiscal Agent





# PAGE 1

## Monthly Statement of Revenues, Expenditures and Changes in Fund Balance, Operating and Earned Revenue Funds, Budget and Actual – February 28, 2023

	Current Budget	Current Month Actual	Year to Date Actual	Budget Remaining	(%) Budget Used	Prior Year Year to Date Actual	(%) Change From
<b>Revenues:</b>							
Occupancy tax, net	\$ 27,217,602	\$ 1,288,286	\$ 14,909,187	\$ 12,308,415	54.8%	\$ 16,584,963	-10.1%
Investment income	-	3,510	15,360	(15,360)	-	1,128	1262.0%
Other income	-	-	12,513	(12,513)	-	-	-
Earned revenue	183,000	18,726	124,537	58,463	68.1%	129,687	-4.0%
Total revenues	27,400,602	1,310,521	15,061,597	12,339,005	55.0%	16,715,777	-9.9%
<b>Expenditures:</b>							
Salaries and Benefits	3,713,360	232,845	1,622,273	2,091,087	43.7%	1,568,338	3.4%
Sales	2,159,000	72,812	962,610	1,196,390	44.6%	308,313	212.2%
Marketing	21,895,242	146,765	6,946,427	14,948,815	31.7%	4,704,810	47.6%
Community Engagement	300,000	7,457	84,832	215,168	28.3%	39,625	114.1%
Administration & Facilities	1,150,000	54,507	601,423	548,577	52.3%	405,869	48.2%
Events/Festivals/Sponsorships	225,000	-	124,729	100,271	55.4%	137,667	-9.4%
Total expenditures	29,442,602	514,385	10,342,293	19,100,309	35.1%	7,164,622	44.4%
Revenues over (under) expenditures	(2,042,000)	796,136	4,719,304			\$ 9,551,155	-50.6%
<b>Other Financing Sources:</b>							
Carried over earned income	42,000	-	-				
Total other financing sources	42,000	-	-				
Net change in fund balance	\$ (2,000,000)	\$ 796,136	4,719,304				
Fund balance, beginning of year			26,388,557				
Fund balance, end of month			\$ 31,107,862				

As directed by State statute, two-thirds of the occupancy tax revenue is invested in tourism promotion (reflected in the operations budget presented here) and one-third is dedicated to tourism-related community investments, split equally between the Tourism Product Development Fund (TPDF) and the Legacy Investment for Tourism (LIFT) Fund. The TPDF is budgeted by project ordinance due to the nature of the fund. Revenue dedicated to TPDF is projected at \$6,794,199 and revenue dedicated to LIFT is projected at \$6,794,199 for FY23.



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## Monthly Revenue Summary – February 28, 2023

Month of room sales:	Operating Fund						Product Development Fund					
	By Month			Cumulative Year-to-Date			By Month			Cumulative Year-to-Date		
	Current Year	Prior Year	(%) Change	Current Year	Prior Year	(%) Change	Current Year	Prior Year	(%) Change	Current Year	Prior Year	(%) Change
July	\$ 2,449,683	\$ 2,807,310	-13%	\$ 2,449,683	\$ 2,807,310	-13%	\$ 603,280	\$ 935,770	-36%	\$ 603,280	\$ 935,770	-36%
August	2,099,768	2,327,847	-10%	4,549,450	5,135,157	-11%	517,107	\$ 775,949	-33%	1,120,387	1,711,719	-35%
September	2,161,132	2,282,494	-5%	6,710,582	7,417,651	-10%	532,219	\$ 760,831	-30%	1,652,606	2,472,550	-33%
October	2,828,072	3,095,441	-9%	9,538,654	10,513,092	-9%	696,466	\$ 1,031,814	-33%	2,349,072	3,504,364	-33%
November	2,031,798	2,532,306	-20%	11,570,453	13,045,398	-11%	500,368	\$ 844,102	-41%	2,849,440	4,348,466	-34%
December	2,050,449	2,163,491	-5%	13,620,901	15,208,889	-10%	504,961	\$ 721,164	-30%	3,354,401	5,069,630	-34%
January	1,288,286	1,376,073	-6%	14,909,187	16,584,963	-10%	317,264	\$ 458,691	-31%	3,671,666	5,528,321	-34%
February	-	1,561,811	-	-	18,146,773	-	-	\$ 520,604	-	-	6,048,924	-
March	-	2,001,097	-	-	20,147,870	-	-	\$ 667,032	-	-	6,715,957	-
April	-	2,347,369	-	-	22,495,239	-	-	\$ 782,456	-	-	7,498,413	-
May	-	2,302,712	-	-	24,797,952	-	-	\$ 767,571	-	-	8,265,984	-
June	-	2,479,000	-	-	27,276,952	-	-	\$ 826,333	-	-	9,092,317	-
Total revenues	\$14,909,187	\$ 27,276,952		\$ 14,909,187	\$ 27,276,952		\$ 3,671,666	\$ 9,092,317		\$ 3,671,666	\$ 9,092,317	

Month of room sales:	Legacy Investment from Tourism Fund						Total Revenue Summary					
	By Month			Cumulative Year-to-Date			By Month			Cumulative Year-to-Date		
	Current Year	Prior Year	(%) Change	Current Year	Prior Year	(%) Change	Current Year	Prior Year	(%) Change	Current Year	Prior Year	(%) Change
July	\$ 603,280	\$ -	-	\$ 603,280	\$ -	-	\$ 3,656,243	\$ 3,743,080	-2%	\$ 3,656,243	\$ 3,743,080	-2%
August	517,107	-	-	1,120,387	-	-	3,133,982	\$ 3,103,796	1%	6,790,224	6,846,876	-1%
September	532,219	-	-	1,652,606	-	-	3,225,570	\$ 3,043,325	6%	10,015,794	9,890,201	1%
October	696,466	-	-	2,349,072	-	-	4,221,003	\$ 4,127,255	2%	14,236,798	14,017,456	2%
November	500,368	-	-	2,849,440	-	-	3,032,535	\$ 3,376,408	-10%	17,269,332	17,393,864	-1%
December	504,961	-	-	3,354,401	-	-	3,060,371	\$ 2,884,655	6%	20,329,703	20,278,519	0%
January	317,264	-	-	3,671,666	-	-	1,922,815	\$ 1,834,764	5%	22,252,518	22,113,284	1%
February	-	-	-	-	-	-	-	\$ 2,082,414	-	-	24,195,698	-
March	-	-	-	-	-	-	-	\$ 2,668,129	-	-	26,863,827	-
April	-	-	-	-	-	-	-	\$ 3,129,825	-	-	29,993,652	-
May	-	-	-	-	-	-	-	\$ 3,070,283	-	-	33,063,936	-
June	-	-	-	-	-	-	-	\$ 3,305,333	-	-	36,369,269	-
Total revenues	\$ 3,671,666	\$ -		\$ 3,671,666	\$ -		\$22,252,518	\$36,369,269		\$ 22,252,518	\$36,369,269	





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## Monthly Product Development Fund Summary – February 28, 2023

	Budget	Life to Date Actuals	Remaining Budget	(%) Budget Used
<b>Revenues:</b>				
Occupancy Tax	\$ 26,452,570	\$ 28,722,357	\$ (2,269,787)	108.6%
Investment Income	-	2,197,408	(2,197,408)	0.0%
<b>Total revenues</b>	<b>26,452,570</b>	<b>30,919,765</b>	<b>(4,467,195)</b>	<b>116.9%</b>
<b>Expenditures:</b>				
<b>Product development fund projects:</b>				
2016 Asheville Community Theatre (Theatre Expansion & Renovation)	580,000	430,000	150,000	74.1%
2017 Buncombe County Government (Woodfin Greenway & Blueway)	8,140,000	-	8,140,000	-
2018 Buncombe County Government (Enka Recreation Destination)	6,750,000	-	6,750,000	-
2018 Eagle Market Streets Dev. Corp. (YMI Cultural Center Improvements)	800,000	172,863	627,137	21.6%
2018 River Front Development Group (African-American Heritage Museum at Stephens-Le	100,000	-	100,000	-
2021 African American Heritage Trail	500,000	34,976	465,024	7.0%
2022 Asheville Glass Art School dba North Carolina Glass Center (Glass Center in Black M	330,000	-	330,000	-
2022 Asheville Museum of Science AMOS (Museum Beautification Project)	125,000	-	125,000	-
2022 Asheville on Bikes (AVL Unpaved - Phase I)	188,355	-	188,355	-
2022 City of Asheville (Asheville Muni Golf Course Revitalization Phase I)	1,641,425	-	1,641,425	-
2022 City of Asheville (Coxe Avenue Green Street)	1,950,000	-	1,950,000	-
2022 City of Asheville (Swannanoa River Greenway)	2,300,000	-	2,300,000	-
2022 City of Asheville (WNC Nature Center- Gateway to the Southern Appalachian Enhanc	567,000	-	567,000	-
2022 Pack Place Performing Arts dba Wortham Center for the Performing Arts (The Worth	80,000	-	80,000	-
2022 Riverlink, Inc. (Karen Cragolin Park - Greenway Phase)	360,790	-	360,790	-
2022 UNC Asheville Foundation - Athletics (UNC Asheville Karl Straus Track Renovation &	1,500,000	-	1,500,000	-
<b>Total product development projects</b>	<b>25,912,570</b>	<b>637,839</b>	<b>25,274,731</b>	<b>2.5%</b>
<b>Product development fund administration</b>	<b>415,000</b>	<b>167,070</b>	<b>247,930</b>	<b>40.3%</b>
<b>Total product development fund</b>	<b>\$ 26,327,570</b>	<b>\$ 804,909</b>	<b>\$ 25,522,661</b>	<b>3.1%</b>
<b>Product Development Funds Available for Future Grants</b>				
Total Net Assets		\$ 30,114,856		
Less: Liabilities/Outstanding Grants		(25,274,731)		
Less: Unspent Admin Budget (Current Year)		(247,930)		
<b>Current Product Development Amount Available</b>		<b>\$ 4,592,195</b>		



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## Monthly Legacy Investment from Tourism Fund – February 28, 2023

	<u>Budget</u>	<u>Life to Date Actuals</u>	<u>Remaining Budget</u>	<u>(%) Budget Used</u>
<b>Revenues:</b>				
Occupancy Tax	\$ -	\$ 3,671,666	\$ (3,671,666)	0.0%
Investment Income	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>3,671,666</u>	<u>(3,671,666)</u>	<u>0.0%</u>
<b>Expenditures:</b>				
<b>LIFT projects:</b>				
	-	-	-	-
	-	-	-	-
Total product development projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIFT fund administration	-	-	-	-
Total product development fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<b>Legacy Investment from Tourism Funds Available for Future Grants</b>				
Total Net Assets		\$ 3,671,666		
Less: Liabilities/Outstanding Grants		-		
Less: Unspent Admin Budget (Current Year)		-		
Current Product Development Amount Available		<u>\$ 3,671,666</u>		





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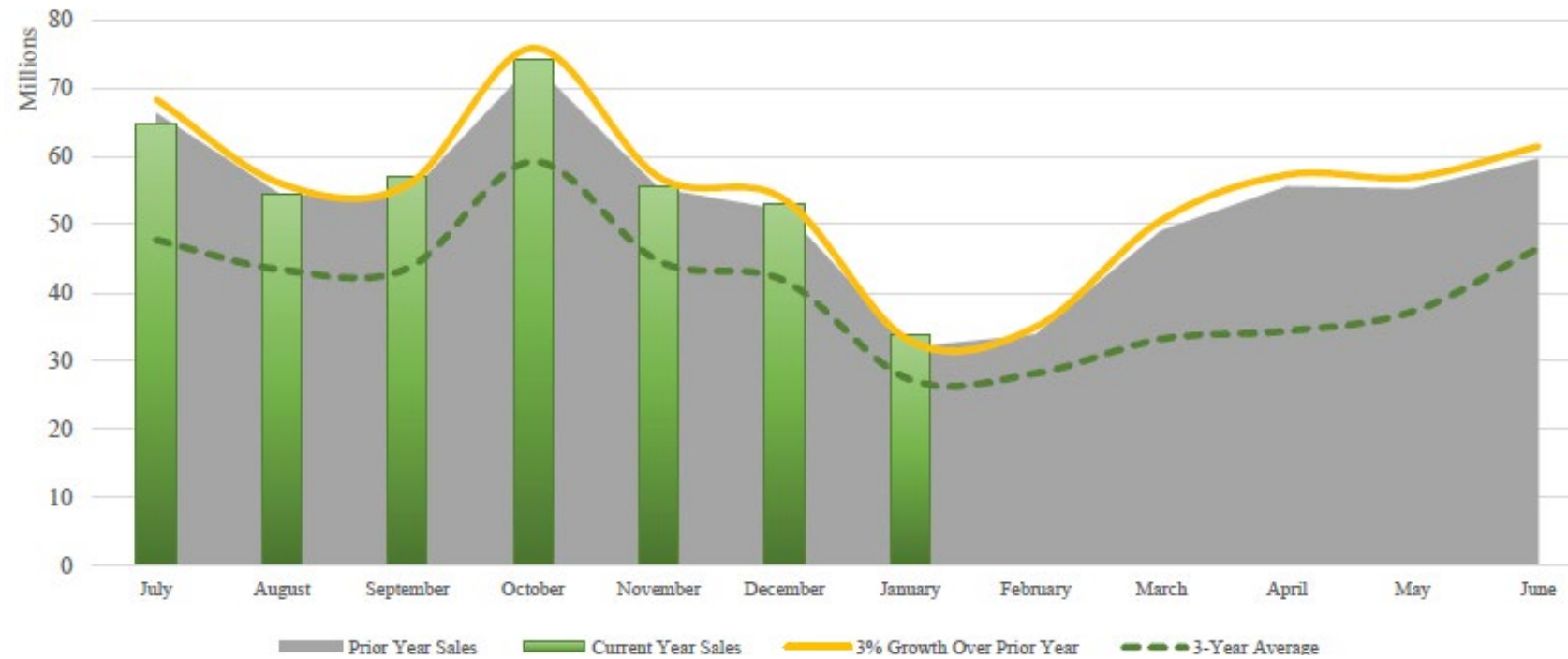
## Monthly Balance Sheet Governmental Funds – February 28, 2023

	Operating and Earned Revenue Funds	Product Development Fund	Legacy Investment from Tourism Fund	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 33,012,632	\$ 30,114,856	\$ 3,671,666	\$ 63,127,489
Receivables	-	-	-	-
Total current assets	<u>\$ 33,012,632</u>	<u>\$ 30,114,856</u>	<u>\$ 3,671,666</u>	<u>63,127,489</u>
<b>Liabilities:</b>				
Current liabilities:				-
Accounts payable	\$ 1,733,670	\$ -	\$ -	\$ 1,733,670
Future events payable	171,100	\$ 25,274,731	\$ -	\$ 25,445,831
Total current liabilities	<u>1,904,770</u>	<u>\$ 25,274,731</u>	<u>\$ -</u>	<u>\$ 27,179,502</u>
<b>Fund Balances:</b>				-
Restricted for product development fund	-	4,840,125	-	4,840,125
Restricted for LIFT fund	-	-	3,671,666	3,671,666
Committed for event support program	91,061	-	-	91,061
State Required Contingency	2,177,408	-	-	2,177,408
Designated Contingency	14,608,801	-	-	14,608,801
Undesignated (cash flow)	14,230,592	-	-	14,230,592
Total fund balances	<u>31,107,862</u>	<u>4,840,125</u>	<u>3,671,666</u>	<u>39,619,652</u>
Total liabilities and fund balances	<u>\$ 33,012,632</u>	<u>\$ 30,114,856</u>	<u>\$ 3,671,666</u>	<u>\$ 63,127,489</u>



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## Total Lodging Sales Shown by Month of Sale, YTD – February 28, 2023



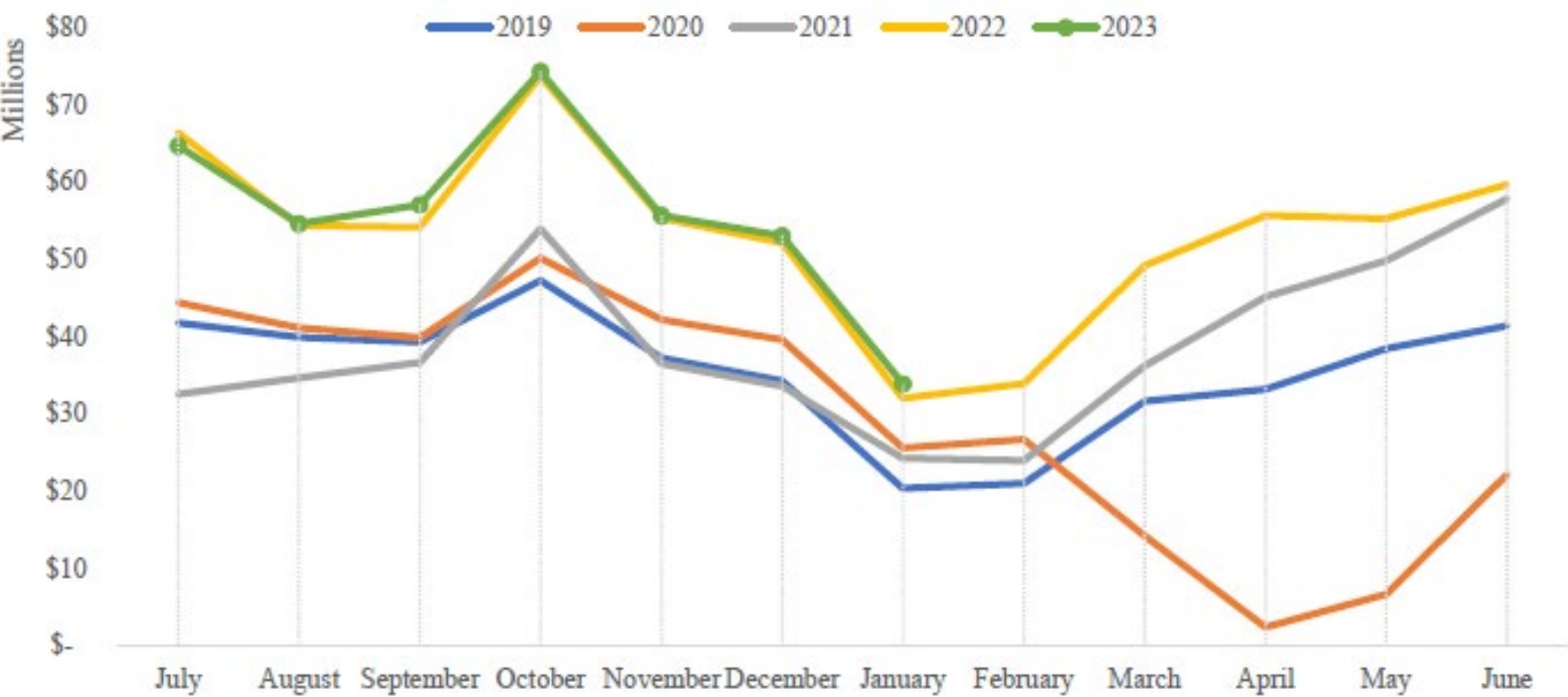
	Current Year	Prior Year	(%) Change	YTD (%) Change	3% Over Prior Year	3-Year Average
<b>Month of lodging sales:</b>						
July	\$ 64,691,508	\$ 66,404,238	-3%	-3%	\$ 68,396,365	\$ 47,779,105
August	54,588,653	54,349,696	0%	-1%	55,980,187	43,375,563
September	57,064,507	54,181,143	5%	1%	55,806,578	43,577,827
October	74,310,749	73,696,268	1%	1%	75,907,156	59,252,978
November	55,655,901	55,321,427	1%	1%	56,981,069	44,656,752
December	53,052,697	52,145,316	2%	1%	53,709,675	41,773,138
January	33,861,296	32,007,272	6%	1%	32,967,491	27,271,282
February	-	33,951,925	-	-	34,970,483	28,193,795
March	-	49,183,252	-	-	50,658,750	33,211,752
April	-	55,647,867	-	-	57,317,303	34,407,142
May	-	55,286,363	-	-	56,944,954	37,258,571
June	-	59,678,151	-	-	61,468,495	46,540,870
Total revenues	<u>\$393,225,311</u>	<u>\$ 641,852,918</u>			<u>\$661,108,506</u>	<u>\$487,298,774</u>





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## History of Total Sales by Month Shown by Month of Sale, YTD – February 28, 2023



Month of lodging sales:

	2019	2020	2021	2022	2023
July	\$ 41,734,276	\$ 44,385,965	\$ 32,547,111	\$ 66,404,238	\$ 64,691,508
August	39,917,550	41,113,655	34,663,339	54,349,696	54,588,653
September	39,327,048	39,869,174	36,683,164	54,181,143	57,064,507
October	47,272,253	50,148,618	53,914,047	73,696,268	74,310,749
November	37,240,595	42,190,154	36,458,675	55,321,427	55,655,901
December	34,272,393	39,595,569	33,578,528	52,145,316	53,052,697
January	20,347,077	25,561,453	24,245,119	32,007,272	33,861,296
February	20,985,316	26,696,319	23,933,141	33,951,925	-
March	31,638,002	14,208,120	36,243,884	49,183,252	-
April	33,141,034	2,402,461	45,171,098	55,647,867	-
May	38,464,222	6,624,541	49,864,809	55,286,363	-
June	41,413,202	22,108,839	57,835,620	59,678,151	-
Total lodging sales	\$ 425,752,967	\$ 354,904,866	\$ 465,138,537	\$ 641,852,918	\$ 393,225,311



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## Total Lodging Sales by Type, Shown by Month of Sale, YTD – February 28,2023

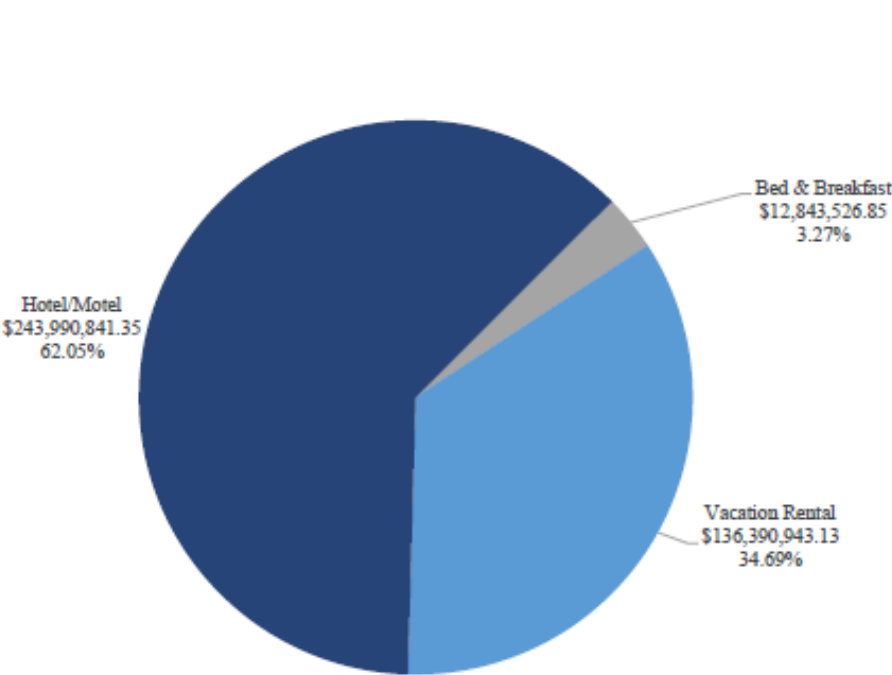
Month of room sales:	Hotel/Motel				Vacation Rentals				Bed & Breakfast				Grand Totals			
	Current Year	Prior Year	% Change	YTD % Change	Current Year	Prior Year	% Change	YTD % Change	Current Year	Prior Year	% Change	YTD % Change	Current Year	Prior Year	% Change	YTD % Change
July	\$ 38,243,319	\$ 41,364,569	-7.5%	-7.5%	\$ 24,330,889	\$ 23,357,779	4.2%	4.2%	\$ 2,117,300	\$ 1,681,890	25.9%	25.9%	\$ 64,691,508	\$ 66,404,238	-2.6%	-2.6%
August	32,413,773	33,288,678	-2.6%	-5.4%	20,489,606	19,647,131	4.3%	4.2%	1,685,274	1,413,887	19.2%	22.8%	54,588,653	54,349,696	0.4%	-1.2%
September	35,736,782	34,410,077	3.9%	-2.4%	19,379,239	18,331,924	5.7%	4.7%	1,948,487	1,439,143	35.4%	26.8%	57,064,507	54,181,143	5.3%	0.8%
October	48,934,964	49,777,745	-1.7%	-2.2%	22,549,362	21,821,793	3.3%	4.3%	2,826,424	2,096,730	34.8%	29.3%	74,310,749	73,696,268	0.8%	0.8%
November	36,016,142	36,209,998	-0.5%	-1.9%	17,774,252	17,628,298	0.8%	3.7%	1,865,508	1,483,131	25.8%	28.7%	55,655,901	55,321,427	0.6%	0.8%
December	35,386,985	34,591,966	2.3%	-1.3%	16,055,178	16,302,722	-1.5%	3.0%	1,610,534	1,250,628	28.8%	28.7%	53,052,697	52,145,316	1.7%	0.9%
January	17,258,878	15,401,453	12.1%	-0.4%	15,812,417	16,106,588	-1.8%	2.4%	790,000	499,232	58.2%	30.2%	33,861,296	32,007,272	5.8%	1.3%
February	-	17,587,944	-		-	15,576,243	-		-	787,738	-		-	33,951,925	-	
March	-	27,907,881	-		-	19,990,357	-		-	1,285,014	-		-	49,183,252	-	
April	-	33,881,484	-		-	20,120,033	-		-	1,646,351	-		-	55,647,867	-	
May	-	33,766,102	-		-	19,643,778	-		-	1,876,483	-		-	55,286,363	-	
June	-	36,779,176	-		-	20,924,585	-		-	1,974,390	-		-	59,678,151	-	
Total	\$ 243,990,841	\$ 394,967,072			\$ 136,390,943	\$ 229,451,231			\$ 12,843,527	\$ 17,434,615			\$ 393,225,311	\$ 641,852,918		



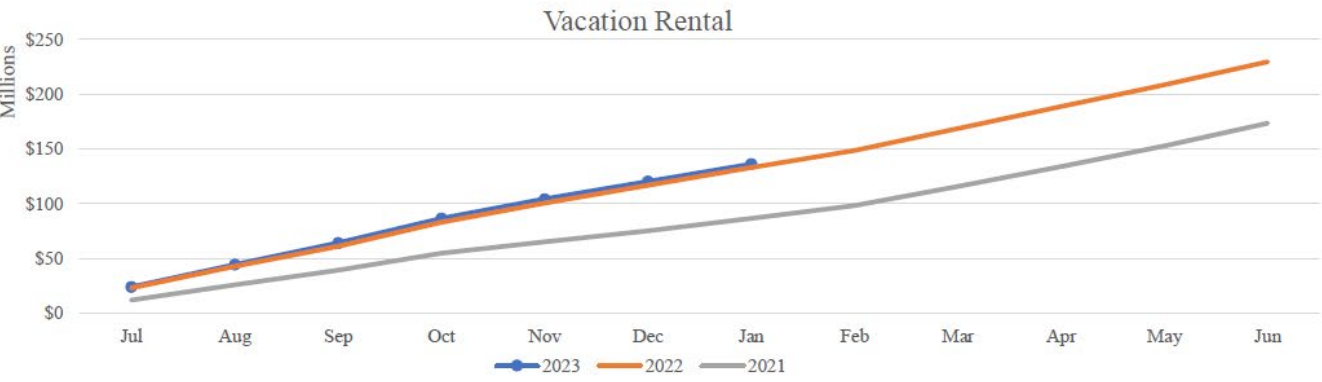
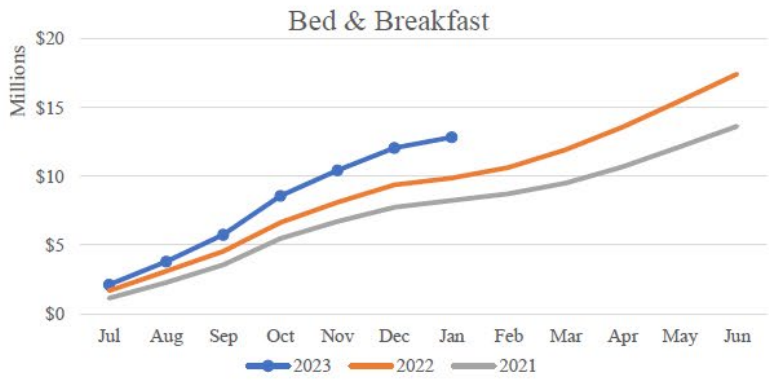


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Total Lodging Sales by Type, Shown by Month of Sale, YTD – February 28,2023



Total Lodging Sales by Type, YTD



Total Lodging Sales by Type, Compared to Prior Year

# FEBRUARY 2023 FINANCIAL REPORTS

Chair Kathleen Mosher

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Questions/Comments

**Suggested Motion:**

**Motion to approve the February 2023 Financial Reports as presented.**

Motion Second

Additional Discussion

Vote



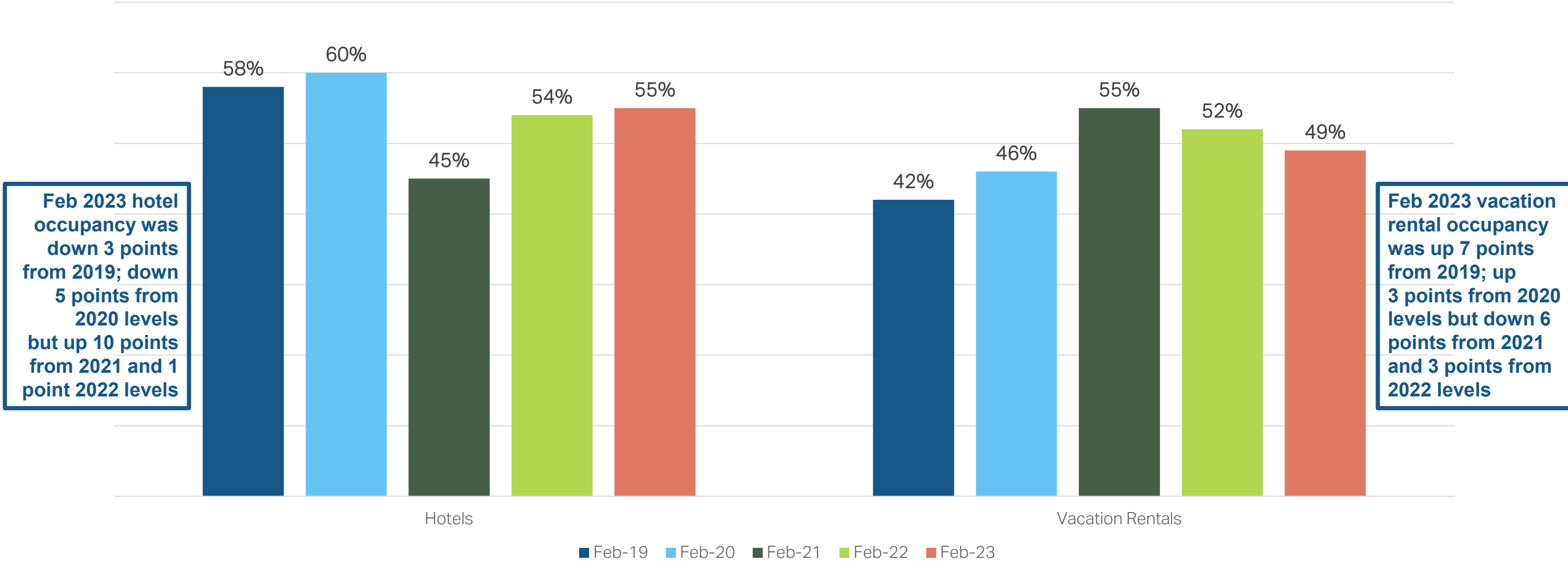


# PRESIDENT & CEO REPORT

Vic Isley  
President & CEO

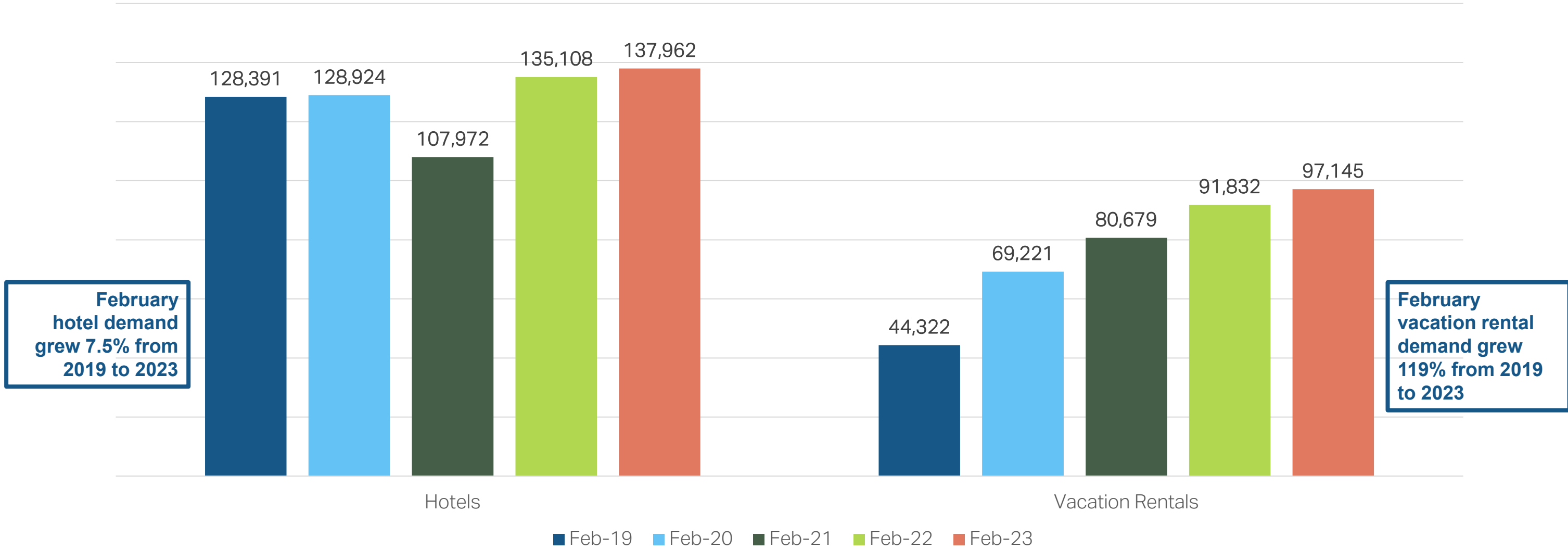


# FEBRUARY LODGING OCCUPANCY





# FEBRUARY LODGING DEMAND



# REACCREDITED WITH DISTINCTION

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- Explore Asheville earned its reaccreditation eight years after first receiving the Destination Marketing Accreditation Program (DMAP) seal from Destinations International.
- The DMAP seal is awarded in recognition of the organization's commitment to industry excellence and meeting the industry standard for performance and accountability of destination organizations around the world.
- In recognition of Explore Asheville's high level of performance and professionalism, the DMAP Board unanimously approved our application and awarded the organization Reaccreditation With Distinction.
- The review board noted that Asheville's application was among the strongest received and truly sets the standard for accreditation applications.





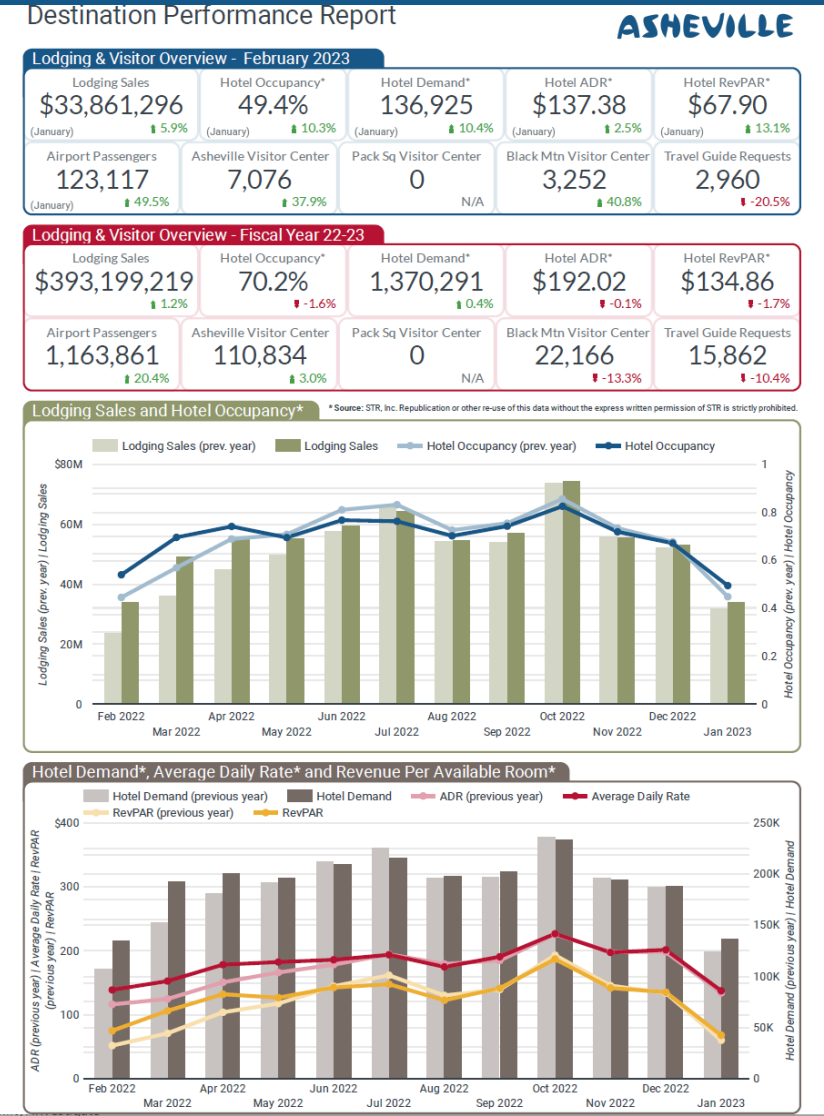
## CITY-APPOINTED BOARD SEAT

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- Andrew Celwyn's second term will expire later this year and is therefore not eligible for reappointment.
- Per legislation, the city-appointed seat is designated for an owner of a restaurant, brewery, distillery, or winery open for tours/tasting, or executive director of ticketed arts organization.
- Deadline for application is April 30.
- At the Boards and Commissions Council Committee on June 13, the Committee will determine if they are ready to make appointments OR conduct essays/interviews.
- If the Council wants to have both, or either, the City Clerk's Office will send a timeline for appointments to be made in time for the August 22 City Council meeting for consideration of appointment at the August 28 City Council meeting.

# MONTHLY REPORTING

## February 2023 Monthly Highlights Report | Destination Performance Report







# FY24 BUDGET PROCESS

Matthew Lehman  
BCTDA Finance Committee Chair

Jennifer Kass-Green  
VP of Culture & Business Affairs



# FINANCE COMMITTEE REPORT

Matthew Lehman, Finance Committee Chair

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## COMMITTEE MEMBERS

**Matthew Lehman | Grand Bohemian Hotel Asheville**

Finance Committee Chair & BCTDA (Nonprofit) Treasurer

**HP Patel | BCA Hotels**

Finance Committee Member & BCTDA Board Member

**Chip Craig | GreyBeard Realty**

Finance Committee Member & Former BCTDA Member

**Kathleen Mosher | Biltmore**

Finance Committee Member & BCTDA Board Chair







# TRENDS & FORECASTS

Jennifer Kass-Green  
VP of Culture & Business Affairs





# FORECAST SCENARIOS

Scenario	Assumptions	Key economic indicators (forecast current as of February 9th, 2023)
Upside	<ul style="list-style-type: none"><li>• Inflationary pressures ease markedly and supply-chains normalize more quickly than expected.</li><li>• Sentiment, business and consumer confidence improve, aiding the recovery in demand.</li></ul>	<ul style="list-style-type: none"><li>• National GDP grows 1.0% in 2023 and 1.8% in 2024.</li><li>• The unemployment rate remains at 3.6% in 2023 and 4.0% in 2024.</li></ul>
Baseline	<ul style="list-style-type: none"><li>• The US economy is expected to suffer a mild recession in 2023.</li><li>• The recession is expected to begin in Q2 as consumers limit spending and businesses cut back on hiring and investment.</li></ul>	<ul style="list-style-type: none"><li>• We anticipate flat GDP growth in 2023 and 0.8% in 2024.</li><li>• The unemployment rate increases to 4.0% in 2023 (from 3.6% in 2022) and 4.6% in 2024.</li></ul>
Downside	<ul style="list-style-type: none"><li>• Long-term inflation expectations rise in major advanced economies driving inflation persistently higher, 1.5pts above our baseline.</li><li>• Central banks continue raising policy rates more aggressively.</li></ul>	<ul style="list-style-type: none"><li>• National GDP declines 0.8% in 2023 and 1.2% in 2024.</li><li>• The unemployment rate rises to 4.6% in 2023 and 5.0% in 2024.</li></ul>

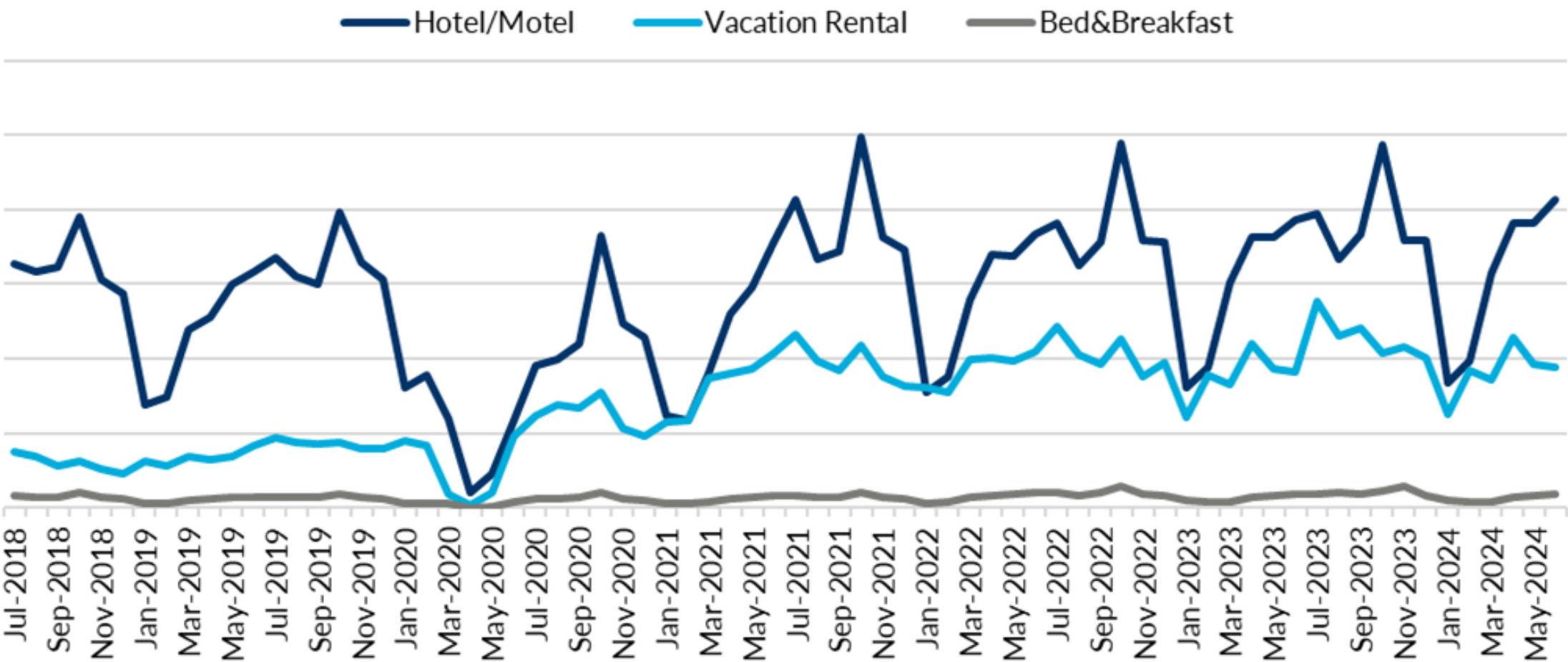




# REVENUE GROWTH BY SEGMENT

## Room revenue by accomodation type

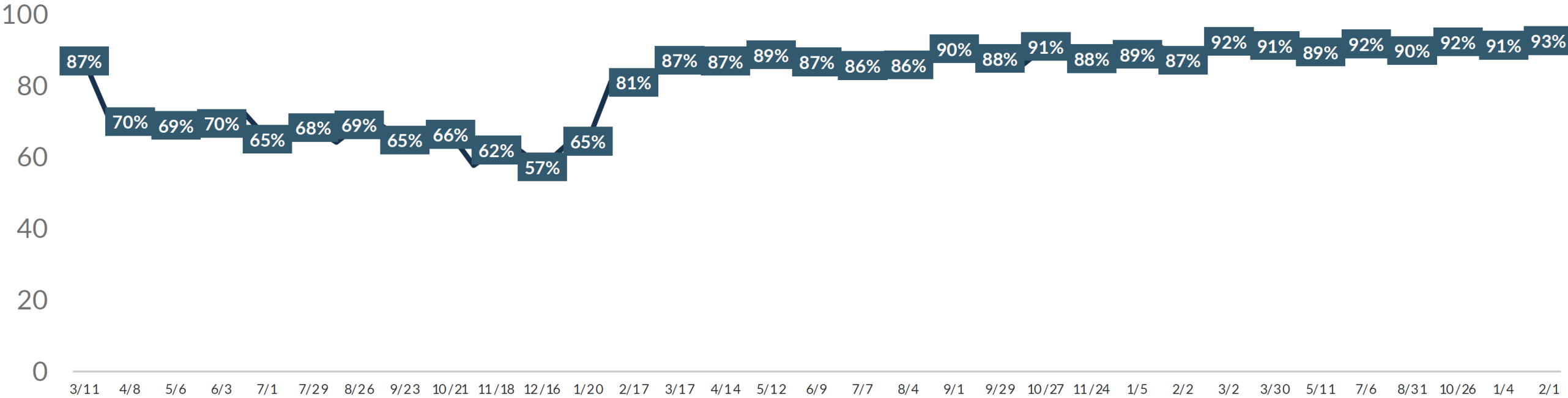
Dollars



Source: Buncombe County, Tourism Economics  
Historical data through November 2022, forecast December 2022 - June 2024

# OVERALL INTENTIONS TO TRAVEL REMAIN ELEVATED

Travelers with Travel Plans in the Next Six Months Comparison



Travel Sentiment Study Wave 70





# WORKFORCE CONTINUUM

## REGIONAL LABOR MARKET OVERVIEW

» Mountain Area WDB | January 2023 Data\*



### MONTHLY TRENDS

NC Department of Commerce | Labor & Economic Analysis | 919.707.1500 | lead@nccommerce.com

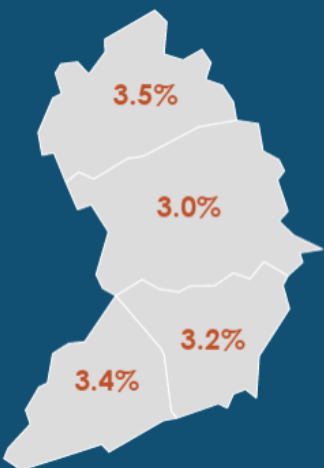
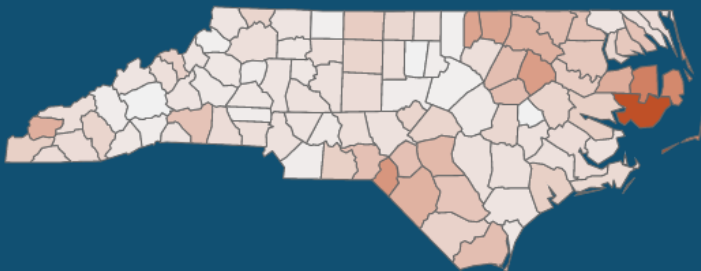
Unemployed Individuals **6,808**

**3.1%**

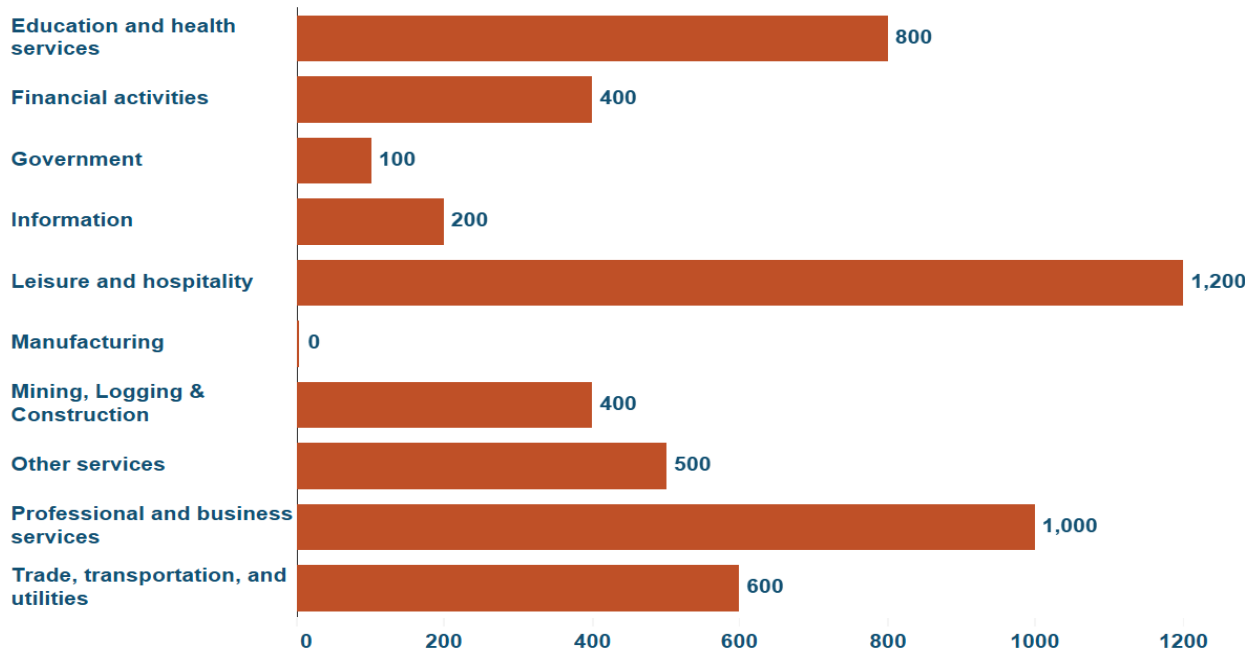
**2.6% LAST MONTH**

North Carolina 3.8%  
United States 3.4%

UNEMPLOYMENT RATES BY COUNTY



### Asheville MSA Industry Jobs Compared to One Year Ago



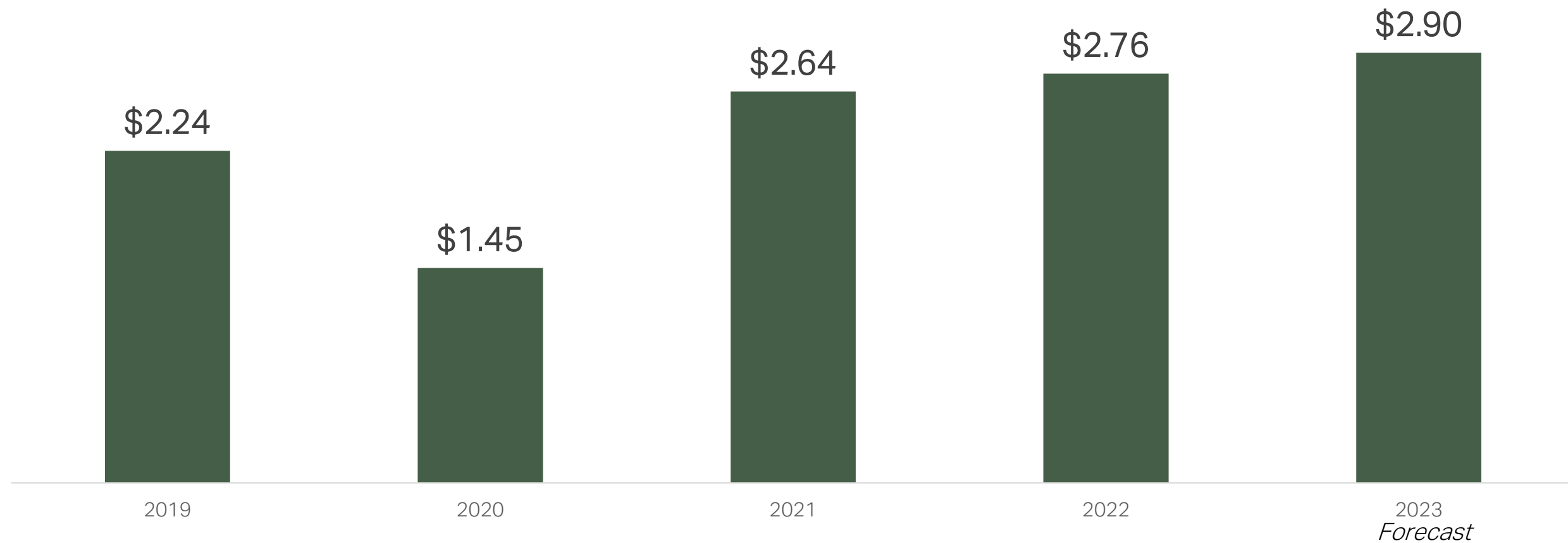
Source: Current Employment Statistics (CES), Not Seasonally Adjusted



# VISITOR SPENDING

Asheville & Buncombe County Total Visitor Spending

*Amount in Billions*



Source: Tourism Economics

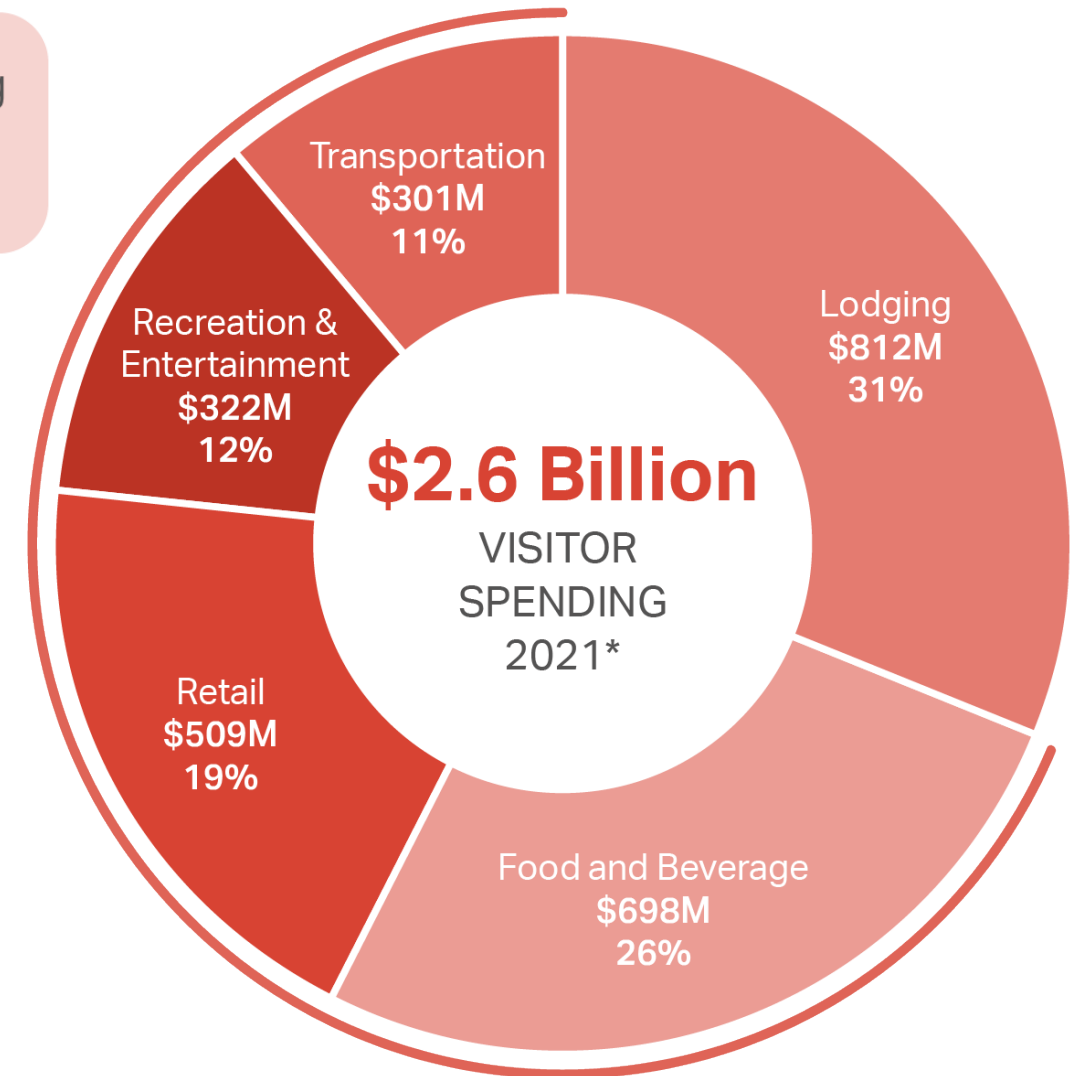




# VAST BENEFICIARIES OF TOURISM

69% of visitor spending takes place outside of lodging businesses.

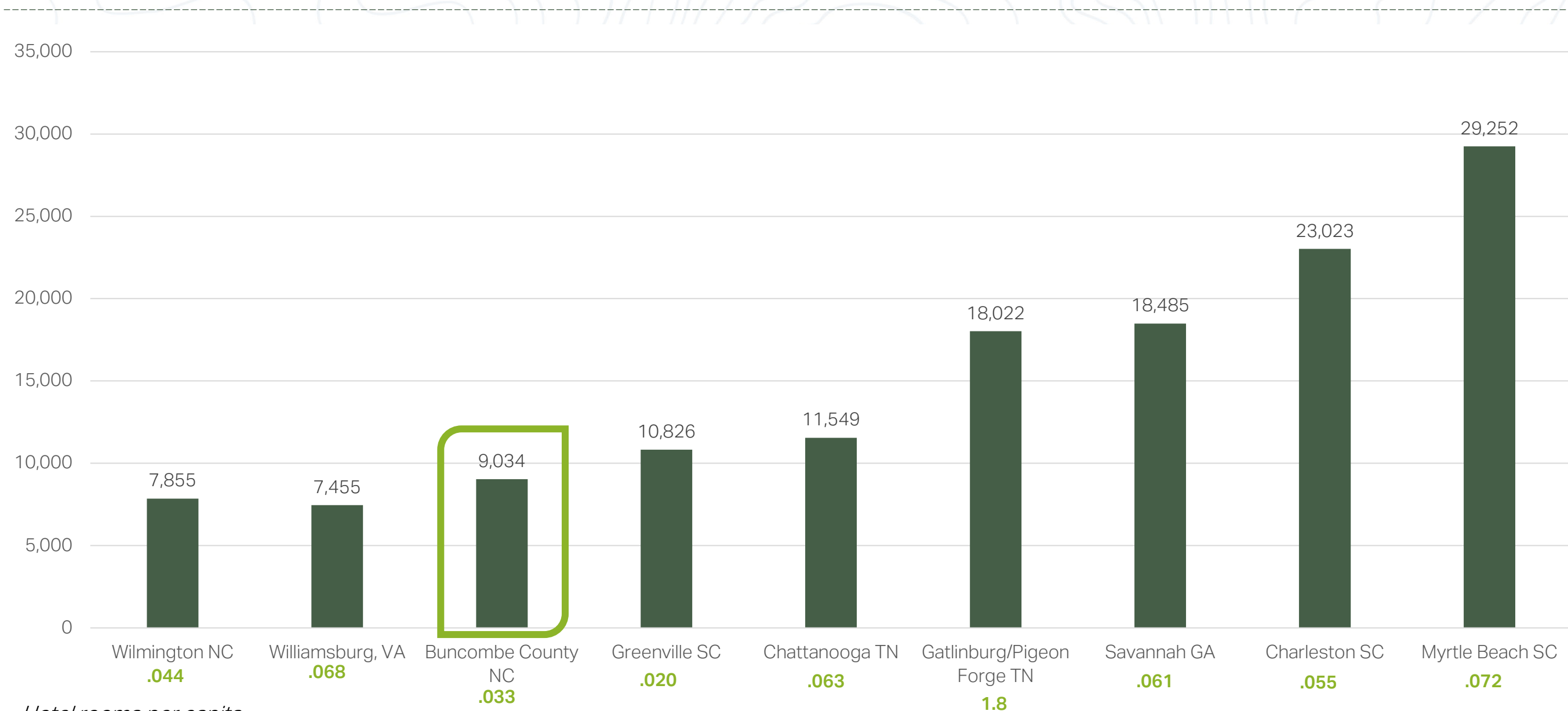
- While lodging shoulders 100% of community marketing and capital project investment, other business sectors reap the lion's share of the financial rewards.
- Visitor-supported businesses contribute significant property taxes to the county and city towards their annual budgets and sales tax paid by visitors that funnels to state, county and city coffers.



\*Source: Tourism Economics

*Note: Lodging spending is calculated as an industry, including meetings, catering, etc. Spending also includes dollars spent on second homes. Transport includes both air and local transportation.*

# HOTEL ROOMS BY MARKET



*Hotel rooms per capita*  
*Source: STR Dec 2022*





# PROPERTIES UNDER CONSTRUCTION

PROPERTY	ROOMS	PROJECTED OPENING
The Restoration Hotel	60	Spring 2023
The Mirror Hotel	18	Spring 2023
Hyatt Place Asheville Airport	108	Spring 2023
Zelda Dearest	20	Summer 2023
The Radical	70	Summer 2023
The Flatiron Hotel	71	Summer 2023
Embassy Suites	185	Fall 2023
	532	

6% growth in room inventory



# LODGING TAX STATUS: LOOKING AHEAD

Lodging Tax Revenue in Buncombe County, Three Scenarios

Amounts in Millions



# BCTDA | BUNCOMBE COUNTY ADMINISTRATIVE SUPPORT CONTRACT

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- Agreement between Buncombe County and BCTDA to provide occupancy tax administrative activities, financial (e.g. payroll, accounts payable), and information technology (e.g. software licensing for Workday)
- Period of Performance: began July 1, 2017
- Current Administrative Fee: 1.5% of total annual lodging tax collections
- "County will evaluate the cost of services provided to the BCTDA on an annual basis through the indirect cost plan and will determine annually if the current 1.5% administrative fee is sufficient to cover these costs."
- Historically, BCTDA lodging tax forecasts and financials have not reflected total lodging tax collections including this fee because Buncombe County remits lodging tax to the BCTDA minus the 1.5% fee.





# LEGISLATION CHANGE REGARDING COUNTY ADMINISTRATIVE FEE

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1

## BUNCOMBE COUNTY OCCUPANCY TAX CHANGES

**SECTION 3.1.(a)** Sections 21 and 22 of Part 6 of Chapter 908 of the 1983 Session Laws, as amended by Section 1 of Chapter 942 of the 1985 Session Laws, Section 1 of S.L. 2001-162, Section 60(a) of S.L. 2013-414, and Section 8 of S.L. 2015-128, read as rewritten:

"Sec. 21. Disposition of Taxes Collected. – (a) Buncombe County shall remit the net proceeds of the occupancy tax to the county Tourism Development Authority in Buncombe County. "Net proceeds" means gross proceeds less the cost to the county of administering and collecting the tax. ~~The Authority may not use more than ten percent (10%) of the funds distributed to it pursuant to this subsection for administrative expenses of the Authority.~~ tax, not to exceed five percent (5%) of the gross proceeds collected each year.

# BUNCOMBE COUNTY ADMINISTRATIVE FEE

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- At the March 14 Buncombe County Budget Work Session, staff and commissioners discussed new legislation and plans to charge the full 5% fee, as is outlined in legislation.
- In anticipation, we're sharing a new way of looking at total lodging tax revenue with a total lodging tax revenue forecast including the 5% administrative fee.

# HISTORIC DATA INCLUDING COUNTY ADMINISTRATIVE FEE

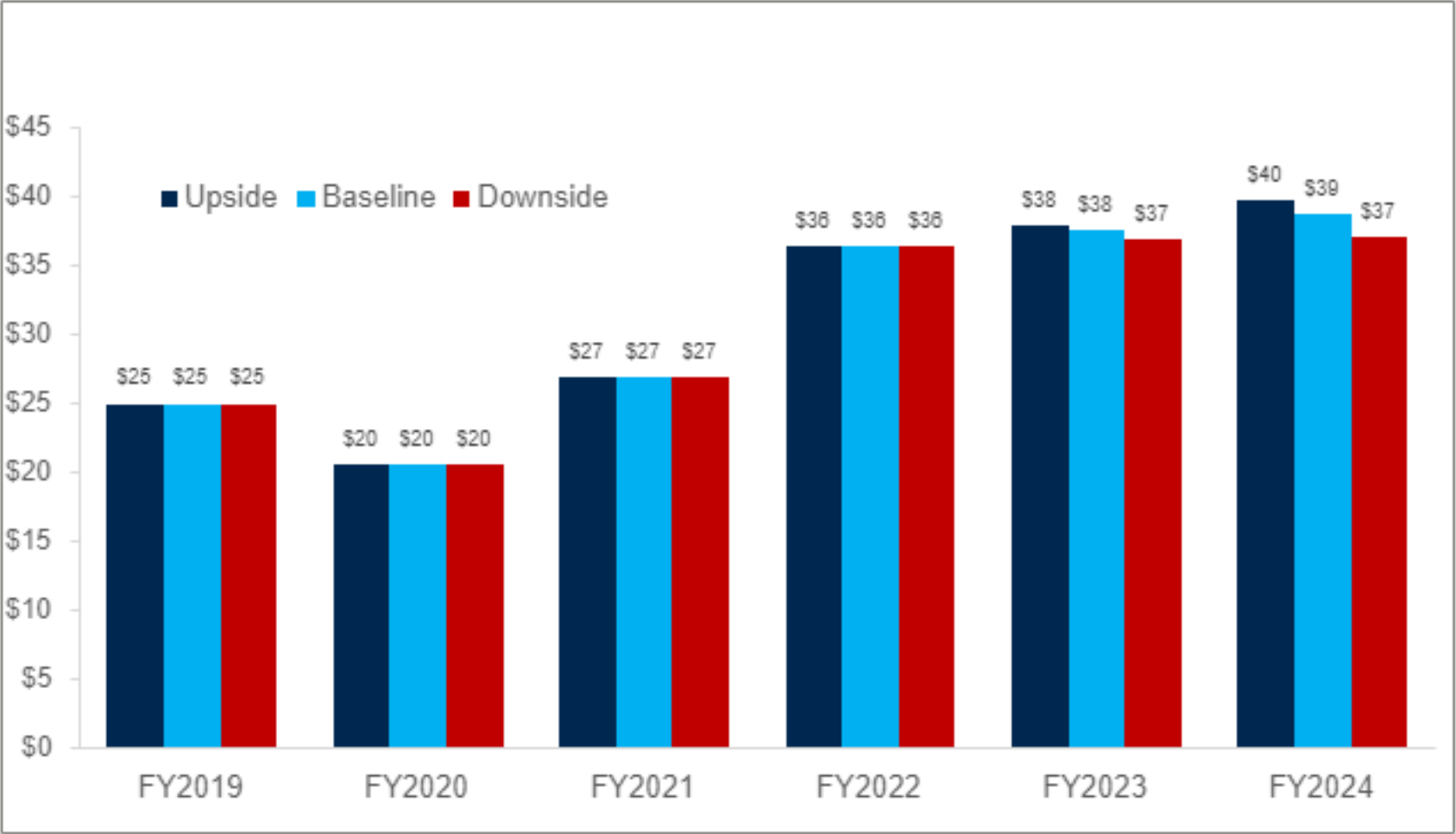
Year	Total Lodging Taxes	Current County Admin. Fee: 1.5%	BCTDA Revenue*
FY19 Actual	\$25.3M	\$379K	\$24.9M
FY20 Actual	\$20.8M	\$312K	\$20.5M
FY21 Actual	\$27.2M	\$409K	\$26.8M
FY22 Actual	\$36.9M	\$554K	\$36.4M
FY23 Projected	\$37.6M	\$564K	\$37.0M

*\*Lodging tax revenue previously reported.*





# FY24 LODGING TAX REVENUE FORECAST



Dollars, millions	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Upside	\$24.9	\$20.5	\$26.8	\$36.4	\$37.8	\$39.6
Baseline	\$24.9	\$20.5	\$26.8	\$36.4	\$37.5	\$38.7
Downside	\$24.9	\$20.5	\$26.8	\$36.4	\$36.7	\$37.0
% change	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Upside	--	-17.8%	31.1%	35.5%	4.0%	4.8%
Baseline	--	-17.8%	31.1%	35.5%	3.1%	3.1%
Downside	--	-17.8%	31.1%	35.5%	1.0%	0.6%

Based on net lodging taxes received after current Buncombe County 1.5% fee allocation.  
Source: Buncombe County, Tourism Economics

# FY24 TOTAL LODGING TAX REVENUE FORECAST

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Year	Total Occupancy Taxes	Current County Admin Fee: 1.5%	New County Admin Fee: 5%	BCTDA Revenue
FY23 Projected	\$37.6M	\$564K	-	\$37.0M
FY24 Projected	\$39.6M	-	\$2.0M	\$37.6M





# FINANCE COMMITTEE REPORT

Matthew Lehman, Finance Committee Chair

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## Finance Committee Recommendation:

The recommendation of the BCTDA Finance Committee is to establish the FY24 total lodging tax revenue forecast at \$39.6 million, which translates to a revenue forecast of \$37.6 million for BCTDA.



# ESTABLISH REVENUE FORECAST

Chair Kathleen Mosher

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Questions/Comments

## Suggested Motion:

**Motion to accept the recommendation of the BCTDA Finance Committee and establish the FY24 lodging tax revenue forecast at \$39.6 million, which will result in a BCTDA revenue forecast of \$37.6 million.**

Motion Second

Additional Discussion

Vote





# CITY COUNCIL UPDATE

Vice Mayor Sandra Kilgore

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## Asheville City Council Update



# BC COMMISSION UPDATE

Commissioner Terri Wells

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## Buncombe County Commission Update





# MISCELLANEOUS BUSINESS

Chair Kathleen Mosher





# PUBLIC COMMENTS

Chair Kathleen Mosher

# LIVE VIRTUAL PUBLIC COMMENTS

Chair Kathleen Mosher

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**Members of the Public were invited to sign-up to virtually share live comments during today's in-person BCTDA meeting.**

**As of the 12:00 p.m. registration deadline on Wednesday, March 22 no requests to speak had been received.**



# IN-PERSON PUBLIC COMMENTS

Chair Kathleen Mosher

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**Upon arrival to this morning's BCTDA meeting, anyone who indicated a desire to make public comments completed the Public Comment Sign-In Sheet, affirming they agree to abide by the Rules of Decorum.**







# ADJOURNMENT

Chair Kathleen Mosher



# ADJOURNMENT

Chair Kathleen Mosher

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Questions/Comments

**Suggested Motion:**

**Motion to adjourn the BCTDA Meeting.**

Motion Second

Discussion

Vote





# THANK YOU

The BCTDA Annual Planning Session will be tomorrow

**Friday, March 24, 2023 | 9:00 a.m. | Grand Bohemian Hotel**

The next BCTDA meeting will be

**Wednesday, April 26, 2023 | 9:00 a.m. | Explore Asheville**

