

# WELCOME!

Welcome to the September 28, 2022 meeting of the  
Buncombe County Tourism Development Authority

Explore **ASHEVILLE**



# CALL TO ORDER

## Chair Kathleen Mosher

## Call to Order the Joint Meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation



**Buncombe County Tourism Development Authority  
A Joint Meeting of the Public Authority and Nonprofit Corporation  
Board Meeting**

Wednesday, September 28, 2022 | 9:00 a.m.  
Explore Asheville Convention & Visitors Bureau | 27 College Place | Board Room (1<sup>st</sup> Floor)  
Members of the Public may attend in person or [register here](#) to view the 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 August 31, 2022 Meeting Minutes	Kathleen Mosher
9:10 a.m.	August 2022 Financial Reports	Don Warn, Buncombe County Finance Director/BCTDA Fiscal Agent
9:15 a.m.	President & CEO Report a. Industry Metrics b. Other Updates	Vic Isley
9:25 a.m.	2021 Visitor Contributions to Buncombe County Economic Outlook Update	Adam Sacks, Tourism Economics
9:45 a.m.	Asheville City Council Update	Councilmember Sandra Kilgore
9:50 a.m.	Buncombe County Commission Update	Commissioner Robert Pressley
9:55 a.m.	Miscellaneous Business	Kathleen Mosher
10:00 a.m.	Comments from the General Public	Kathleen Mosher
10:05 a.m.	Adjournment	Kathleen Mosher

The next joint BCTDA monthly meeting is on **Wednesday, October 26, 2022**, 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.

***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
- > About the Buncombe County TDA
- > Find out about upcoming BCTDA meetings

[About Buncombe County TDA](#) [Visitor Information](#) [Partner Login](#)



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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**

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



# MINUTES

**Chair Kathleen Mosher**

## August 31, 2022 BCTDA Regular Meeting Minutes

- Questions/Comments
- Suggested Motion:
  - Motion to approve the August 31, 2022 meeting minutes
- Motion Second
- Discussion
- Vote

### Explore **ASHEVILLE** Buncombe County Tourism Development Authority

**Buncombe County Tourism Development Authority**  
**A Joint Meeting of the Public Authority and Nonprofit Corporation**  
Center for Craft | Michael Sherrill Loft – 67 Broadway Street, Asheville

**Board Meeting Minutes**  
Wednesday, August 31, 2022

<b>Present (Voting):</b>	Kathleen Mosher, Chair; Brenda Durden, Vice Chair; Leah Ashburn, Andrew Celwyn, Larry Crosby, Matthew Lehman, Michael Lusick, HP Patel
<b>Absent (Voting):</b>	Scott Patel
<b>Present (Ex-Officio):</b>	Asheville City Councilmember Sandra Kilgore
<b>Absent (Ex-Officio):</b>	Buncombe County Commissioner Robert Pressley
<b>CVB Staff:</b>	Vic Isley, Marla Tambellini, Anne Mullins, Jennifer Kass-Green, Connie Holliday, Jonna Sampson, Julia Simpson, Luisa Yen, Khal Khoury, Holly Watts
<b>BC Finance:</b>	Don Warn, Buncombe County/BCTDA Fiscal Agent
<b>Legal Counsel:</b>	Sabrina Rockoff, McGuire, Wood & Bissette/BCTDA Attorney
<b>In-Person Attendees:</b>	Chris Cavanaugh, TPDF Committee/Magellan Strategy Group Tim Love, Buncombe County Eric Hardy, Mark Hunt, Town of Woodfin Lisa Raleigh, RiverLink Chris Smith, Asheville Buncombe Regional Sports Commission Laura McCall, Asheville Independent Restaurants Randy Claybrook, Bent Creek Lodge Elizabeth Sims, Communications Professional Jane Anderson, Area Resident Roy Harris, Area Resident Jason Sandford, AshVegas John Boyle, Asheville Citizen Times Kim King, Ben Robinson; WLOS
<b>Online Attendees:</b>	Carli Adams, Kathryn Dewey, Tina Porter, Charlie Reed, Whitney Smith; Explore Asheville Staff John Ellis, Prior TDA Board Member Chip Craig, Greybeard Rentals Tina Kinsey, Asheville Regional Airport Jim Muth, TPDF Committee Zach Wallace, Asheville Area Chamber of Commerce

# AUGUST 2022 FINANCIAL REPORTS

**DON WARN**

BUNCOMBE COUNTY FINANCE DIRECTOR/  
BCTDA FISCAL AGENT

Explore **ASHEVILLE**



## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

### Monthly Statement of Revenues, Expenditures, and Changes in Fund Balance

#### Operating and Earned Revenue Funds, Budget and Actual

August 31, 2022

					(%)	Prior Year	
	Current Budget	Current Month Actual	Year to Date Actual	Budget Remaining	Budget Used	Year to Date Actual	(%) Change From
<b>Revenues:</b>							
Occupancy tax, net	\$ 27,217,602	\$ 2,437,617	\$ 2,437,617	\$ 24,779,985	9.0%	\$ 2,807,310	-13.2%
Investment income	-	1,638	2,784	(2,784)	-	94	2860.1%
Other income	-	-	-	-	-	-	-
Earned revenue	183,000	2,540	18,016	164,984	9.8%	13,353	34.9%
Total revenues	27,400,602	2,441,796	2,458,417	24,942,185	9.0%	2,820,757	-12.8%
<b>Expenditures:</b>							
Salaries and Benefits	3,713,360	183,176	305,089	3,408,271	8.2%	370,998	-17.8%
Sales	2,159,000	68,791	185,109	1,973,891	8.6%	104,655	76.9%
Marketing	21,895,242	(185,173)	2,129	21,893,113	0.0%	1,134,915	-99.8%
Community Engagement	300,000	4,046	14,098	285,902	4.7%	4,648	203.3%
Administration & Facilities	1,150,000	56,474	138,286	1,011,714	12.0%	126,542	9.3%
Events/Festivals/Sponsorships	225,000	10,000	23,000	202,000	10.2%	5,000	360.0%
Total expenditures	29,442,602	137,313	667,711	28,774,891	2.3%	1,746,758	-61.8%
Revenues over (under) expenditures	(2,042,000)	2,304,482	1,790,706			\$ 1,074,000	66.7%
<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)	\$ 2,304,482	1,790,706				
Fund balance, beginning of year			27,049,048				
Fund balance, end of month			\$ 28,839,754				

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.



## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

### Monthly Revenue Summary

August 31, 2022

Month of room sales:	Operating Fund						Product Development Fund					
	By Month			Cumulative Year-to-Date			By Month			Cumulative Year-to-Date		
	Current	Prior	(%)	Current	Prior	(%)	Current	Prior	(%)	Current	Prior	(%)
	Year	Year	(%)	Year	Year	Change	Year	Year	Change	Year	Year	Change
July	\$ 2,437,617	\$ 2,807,310	-13%	\$ 2,437,617	\$ 2,807,310	-13%	\$ 609,313	\$ 935,770	-35%	\$ 609,313	\$ 935,770	-35%
August	-	2,327,847	-	-	5,135,157	-	-	\$ 775,949	-	-	1,711,719	-
September	-	2,282,494	-	-	7,417,651	-	-	\$ 760,831	-	-	2,472,550	-
October	-	3,095,441	-	-	10,513,092	-	-	\$ 1,031,814	-	-	3,504,364	-
November	-	2,532,306	-	-	13,045,398	-	-	\$ 844,102	-	-	4,348,466	-
December	-	2,163,491	-	-	15,208,889	-	-	\$ 721,164	-	-	5,069,630	-
January	-	1,376,073	-	-	16,584,963	-	-	\$ 458,691	-	-	5,528,321	-
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	<u>\$ 2,437,617</u>	<u>\$ 27,276,952</u>		<u>\$ 2,437,617</u>	<u>\$ 27,276,952</u>		<u>\$ 609,313</u>	<u>\$9,092,317</u>		<u>\$ 609,313</u>	<u>\$9,092,317</u>	

Month of room sales:	Legacy Investment from Tourism Fund					
	By Month			Cumulative Year-to-Date		
	Current	Prior	(%)	Current	Prior	(%)
	Year	Year	(%)	Year	Year	Change
July	\$ 609,313	\$ -	-	\$ 609,313	\$ -	-
August	-	-	-	-	-	-
September	-	-	-	-	-	-
October	-	-	-	-	-	-
November	-	-	-	-	-	-
December	-	-	-	-	-	-
January	-	-	-	-	-	-
February	-	-	-	-	-	-
March	-	-	-	-	-	-
April	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
Total revenues	<u>\$ 609,313</u>	<u>\$ -</u>		<u>\$ 609,313</u>	<u>\$ -</u>	

## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

### Monthly Product Development Fund Summary

August 31, 2022

	Budget	Life to Date Actuals	Remaining Budget	(%) Budget Used
<b>Revenues:</b>				
Occupancy Tax	\$ 17,410,000	\$ 32,928,586	\$ (15,518,586)	189.1%
Investment Income	-	1,413,114	(1,413,114)	0.0%
<b>Total revenues</b>	<u>17,410,000</u>	<u>34,341,700</u>	<u>(16,931,700)</u>	<u>197.3%</u>
<b>Expenditures:</b>				
<b>Product development fund projects:</b>				
2012 Montford Park Players (Welcome Facility & Amphitheatre Renovations)	125,000	-	125,000	-
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-L	100,000	-	100,000	-
2021 African American Heritage Trail	500,000	26,860	473,140	5.4%
Total product development projects	<u>16,995,000</u>	<u>629,723</u>	<u>16,365,277</u>	<u>3.7%</u>
Product development fund administration	<u>415,000</u>	<u>-</u>	<u>415,000</u>	<u>0.0%</u>
Total product development fund	<u>\$ 17,410,000</u>	<u>\$ 629,723</u>	<u>\$ 16,780,277</u>	<u>3.6%</u>
<b>Product Development Funds Available for Future Grants</b>				
Total Net Assets		\$ 26,435,933		
Less: Liabilities/Outstanding Grants		(16,365,277)		
Less: Unspent Admin Budget (Current Year)		(415,000)		
Current Product Development Amount Available		<u>\$ 9,655,655</u>		

## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

*Monthly Legacy Investment from Tourism Fund*

August 31, 2022

	Budget	Life to Date Actuals	Remaining Budget	(%) Budget Used
<b>Revenues:</b>				
Occupancy Tax	\$ -	\$ 609,313	\$ (609,313)	0.0%
Investment Income	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>609,313</u>	<u>(609,313)</u>	<u>#DIV/0!</u>
<b>Expenditures:</b>				
<b>LIFT projects:</b>				
	-	-	-	-
	-	-	-	-
Total product development projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>#DIV/0!</u>
LIFT fund administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>#DIV/0!</u>
Total product development fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>#DIV/0!</u>
<b>Legacy Investment from Tourism Funds Available for Future Grants</b>				
Total Net Assets		\$ 609,313		
Less: Liabilities/Outstanding Grants		-		
Less: Unspent Admin Budget (Current Year)		-		
Current Product Development Amount Available		<u>\$ 609,313</u>		



## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

*Monthly Balance Sheet*

*Governmental Funds*

August 31, 2022

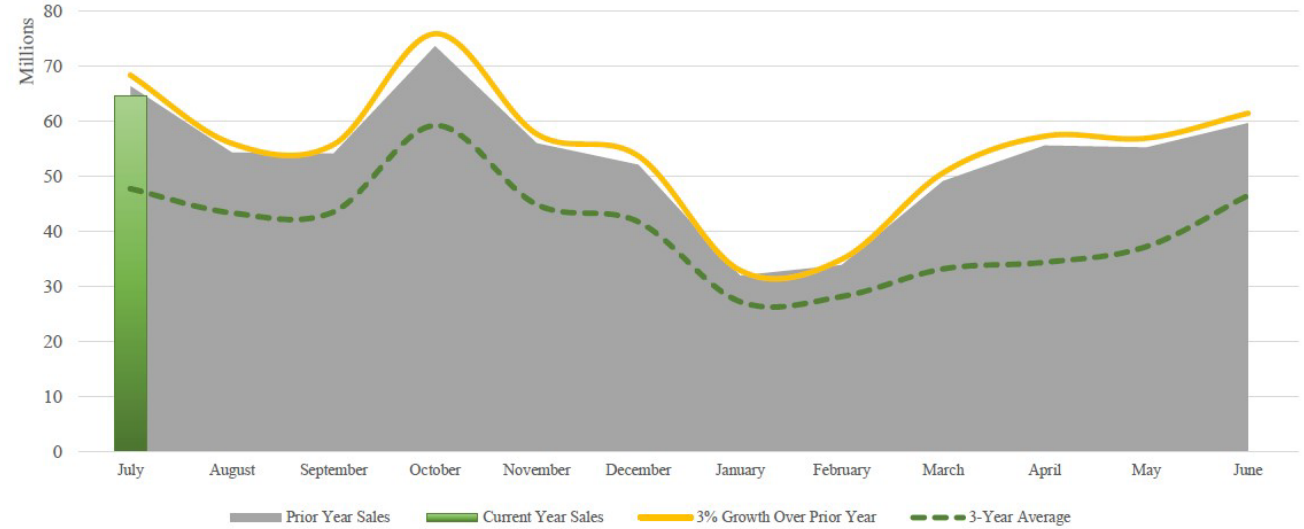
	Operating and Earned Revenue Funds	Product Development Fund	Legacy Investment from Tourism Fund	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 22,068,839	\$ 26,435,933	\$ 609,313	\$ 48,504,771
Receivables	(16,668)	-	-	(16,668)
Total current assets	<u>\$ 22,052,171</u>	<u>\$ 26,435,933</u>	<u>\$ 609,313</u>	<u>48,488,104</u>
<b>Liabilities:</b>				
Current liabilities:				-
Accounts payable	\$ (6,904,383)	\$ (7,462)	\$ -	\$ (6,911,845)
Future events payable	116,800	\$ 16,365,277	\$ -	\$ 16,482,077
Total current liabilities	<u>(6,787,583)</u>	<u>\$ 16,357,815</u>	<u>\$ -</u>	<u>\$ 9,570,232</u>
<b>Fund Balances:</b>				-
Restricted for product development fund	-	10,078,118	#DIV/0!	10,078,118
Committed for event support program	86,268	-	-	86,268
State Required Contingency	2,177,408	-	-	2,177,408
Designated Contingency	14,608,801	-	-	14,608,801
Undesignated (cash flow)	11,967,276	-	-	11,967,276
Total fund balances	<u>28,839,754</u>	<u>10,078,118</u>	<u>609,313</u>	<u>38,917,872</u>
Total liabilities and fund balances	<u>\$ 22,052,171</u>	<u>\$ 26,435,933</u>	<u>\$ 609,313</u>	<u>\$ 48,488,104</u>

## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

Total Lodging Sales

Shown by Month of Sale, Year-to-Date

August 31, 2022



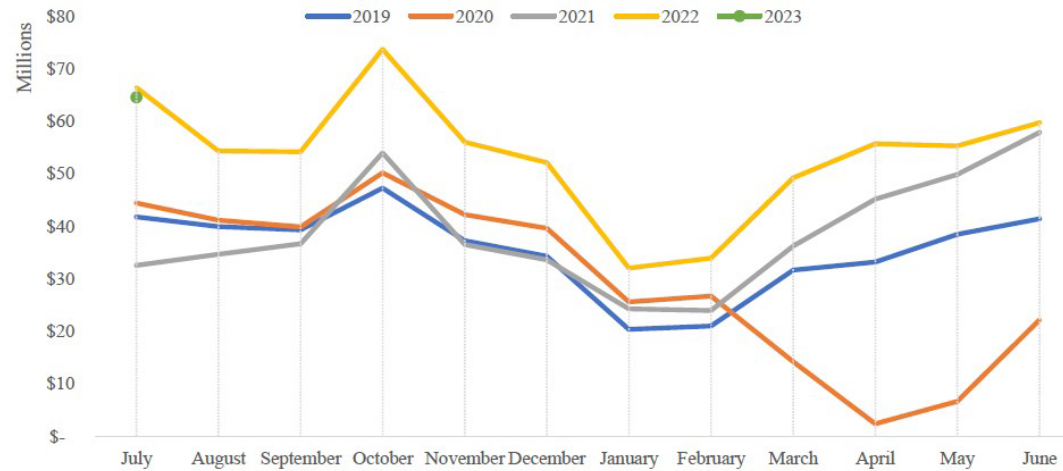
	Current Year	Prior Year	(%) Change	YTD (%) Change	3% Over Prior Year	3-Year Average
<b>Month of lodging sales:</b>						
July	\$ 64,545,050	\$ 66,395,236	-3%	-3%	\$ 68,387,093	\$ 47,776,104
August	-	54,342,049	-	-	55,972,311	43,373,014
September	-	54,173,567	-	-	55,798,774	43,575,302
October	-	73,669,896	-	-	75,879,993	59,244,187
November	-	56,021,061	-	-	57,701,693	44,889,963
December	-	52,126,448	-	-	53,690,242	41,766,849
January	-	31,988,630	-	-	32,948,289	27,265,068
February	-	33,927,340	-	-	34,945,161	28,185,600
March	-	49,176,871	-	-	50,652,178	33,209,625
April	-	55,641,656	-	-	57,310,906	34,405,072
May	-	55,273,859	-	-	56,932,074	37,254,403
June	-	59,669,756	-	-	61,459,849	46,538,072
Total revenues	<u>\$ 64,545,050</u>	<u>\$ 642,406,370</u>			<u>\$661,678,562</u>	<u>\$487,483,258</u>

## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

*History of Total Sales by Month*

*Shown by Month of Sale, Year-to-Date*

August 31, 2022



	2019	2020	2021	2022	2023
<b>Month of lodging sales:</b>					
July	\$ 41,734,276	\$ 44,385,965	\$ 32,547,111	\$ 66,395,236	\$ 64,545,050
August	39,917,550	41,113,655	34,663,339	54,342,049	-
September	39,327,048	39,869,174	36,683,164	54,173,567	-
October	47,272,253	50,148,618	53,914,047	73,669,896	-
November	37,240,595	42,190,154	36,458,675	56,021,061	-
December	34,272,393	39,595,569	33,578,528	52,126,448	-
January	20,347,077	25,561,453	24,245,119	31,988,630	-
February	20,985,316	26,696,319	23,933,141	33,927,340	-
March	31,638,002	14,208,120	36,243,884	49,176,871	-
April	33,141,034	2,402,461	45,171,098	55,641,656	-
May	38,464,222	6,624,541	49,864,809	55,273,859	-
June	41,413,202	22,108,839	57,835,620	59,669,756	-
Total lodging sales	\$ 425,752,967	\$ 354,904,866	\$ 465,138,537	\$ 642,406,370	\$ 64,545,050



# PG 8

## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

Total Lodging Sales by Type

Shown by Month of Sale, Year-to-Date

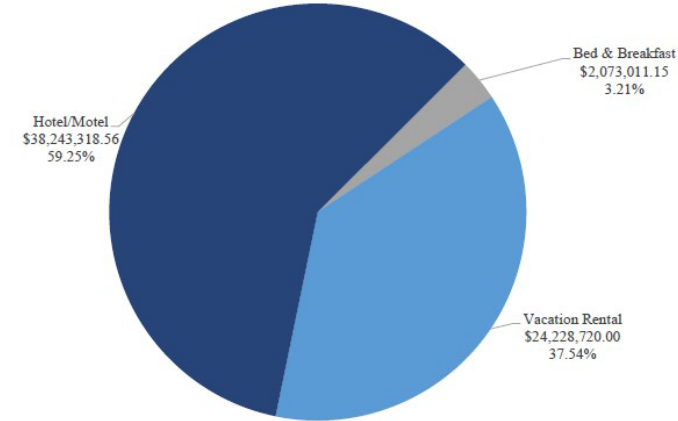
August 31, 2022

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%	\$ 24,228,720	\$ 23,348,777	3.8%	3.8%	\$ 2,073,011	\$ 1,681,890	23.3%	23.3%	\$ 64,545,050	\$ 66,395,236	-2.8%	-2.8%
August	-	33,288,678	-		-	19,639,485	-		-	1,413,887	-		-	54,342,049	-	
September	-	34,410,077	-		-	18,324,347	-		-	1,439,143	-		-	54,173,567	-	
October	-	49,777,745	-		-	21,795,421	-		-	2,096,730	-		-	73,669,896	-	
November	-	36,931,580	-		-	17,606,350	-		-	1,483,131	-		-	56,021,061	-	
December	-	34,591,966	-		-	16,283,854	-		-	1,250,628	-		-	52,126,448	-	
January	-	15,401,453	-		-	16,087,946	-		-	499,232	-		-	31,988,630	-	
February	-	17,587,944	-		-	15,551,658	-		-	787,738	-		-	33,927,340	-	
March	-	27,907,881	-		-	19,983,976	-		-	1,285,014	-		-	49,176,871	-	
April	-	33,881,484	-		-	20,113,822	-		-	1,646,351	-		-	55,641,656	-	
May	-	33,766,102	-		-	19,631,274	-		-	1,876,483	-		-	55,273,859	-	
June	-	36,779,176	-		-	20,910,800	-		-	1,979,780	-		-	59,669,756	-	
Total	\$ 38,243,319	\$ 395,688,655			\$ 24,228,720	\$ 229,277,710			\$ 2,073,011	\$ 17,440,005			\$ 64,545,050	\$ 642,406,370		

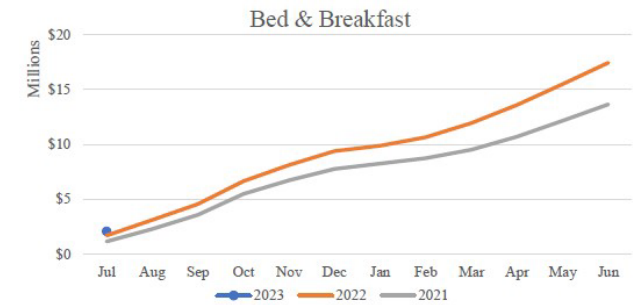
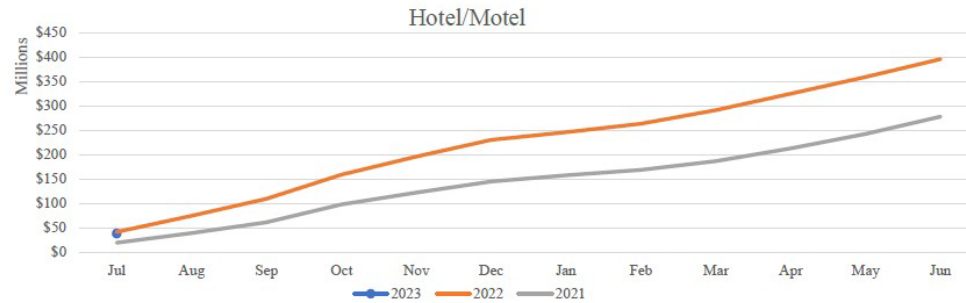
## BUNCOMBE COUNTY TOURISM DEVELOPMENT AUTHORITY

Total Lodging Sales by Type  
Shown by Month of Sale, Year-to-Date  
August 31, 2022

Total Lodging Sales by Type, Year-to-Date



Year-to-Date Lodging Sales by Type, Compared to Prior Year



# FINANCIAL REPORTS

**Questions/Discussion**



# FINANCIAL REPORTS

## **Chair Kathleen Mosher**

- Suggested Motion:

Motion to approve the August 2022 Financial Reports

- Motion Second
- Discussion
- Vote

# PRESIDENT & CEO REPORT

**VIC ISLEY**  
PRESIDENT & CEO

Explore **ASHEVILLE**





# BCTDA ANNUAL MEETING

Explore **ASHEVILLE**  
Buncombe County Tourism Development Authority



@madmikelives



@neverendingflowerfarm



@theboothfairproject



@jennypicken616





# WILMA DYKEMAN

William A.V. Cecil  
Leadership Award  
2022

Explore **ASHEVILLE**  
Buncombe County Tourism Development Authority







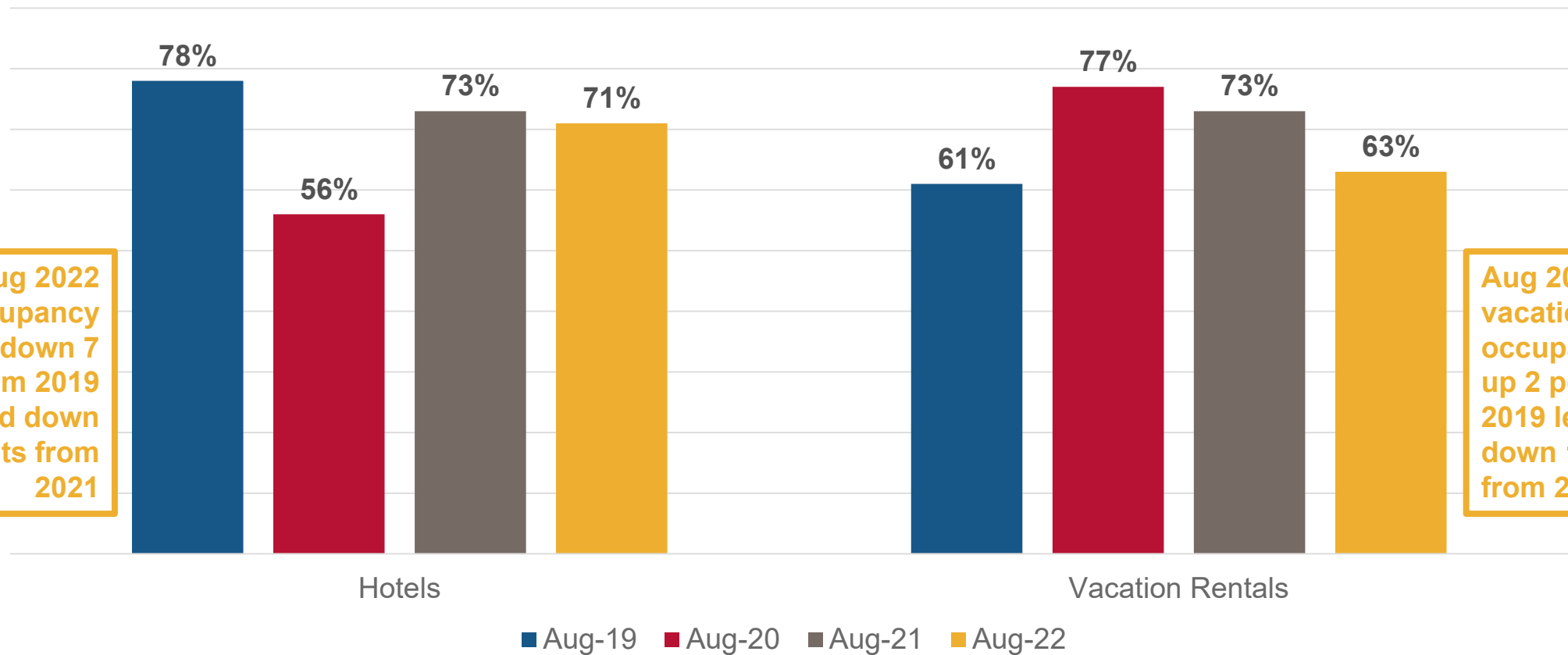
# JONNA SAMPSON

Thank you for your many  
years of dedication!

Explore **ASHEVILLE**  
Buncombe County Tourism Development Authority



# AUGUST LODGING OCCUPANCY





- 
- **Monthly Highlights Report**
  - **Destination Dashboard**
  - **Questions?**

Explore **ASHEVILLE**





TOURISM  
ECONOMICS

AN OXFORD ECONOMICS COMPANY

# The Outlook for the US Economy and Travel

Adam Sacks

President

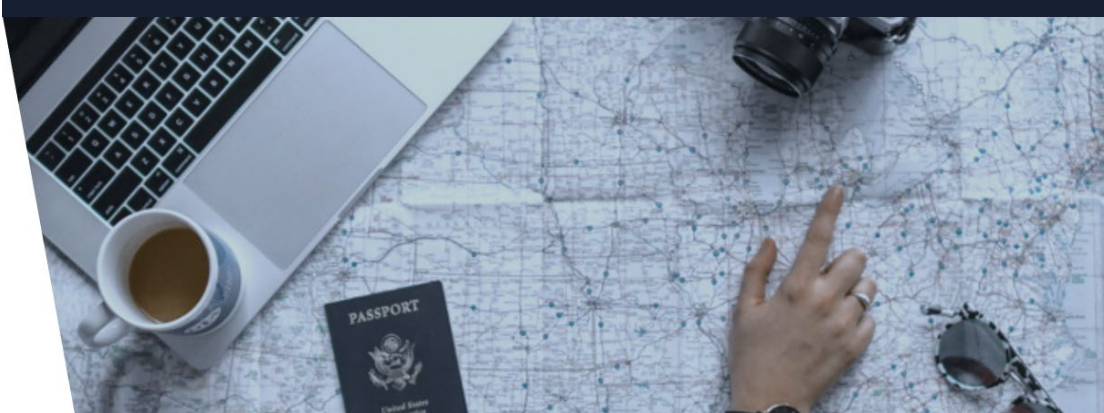
Tourism Economics

[adam@tourismeconomics.com](mailto:adam@tourismeconomics.com)

# Visitor Contribution to the Asheville & Buncombe County Economy

2021 Calendar Year Analysis



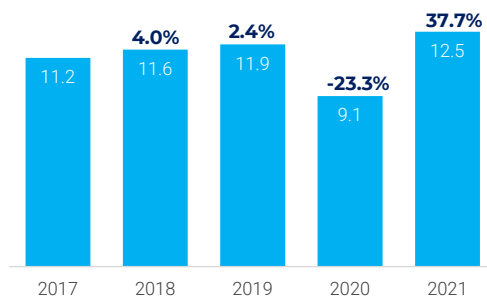


## VISITOR VOLUME

Full Recovery in 2021

### Asheville visitor volume

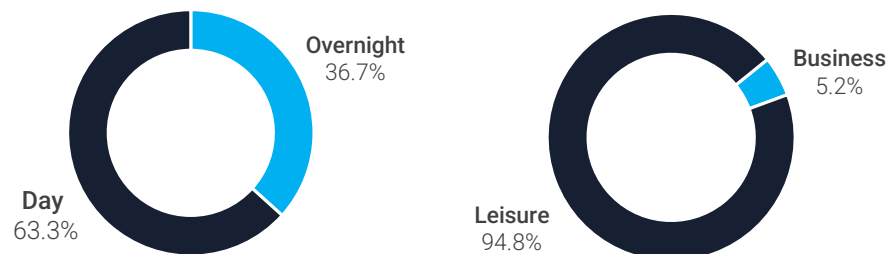
Amounts in millions



Sources: Longwoods Int'l, Tourism Economics

### Asheville visitation share by segment

Expressed as percentage of total visitation by market



Source: Longwoods Int'l, Tourism Economics

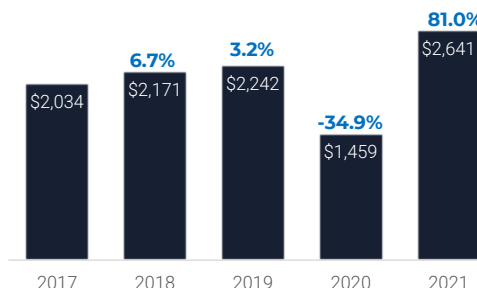
## VISITOR SPENDING

Visitors to Asheville spent \$2.6 billion in 2021

\$1.9 billion (73%) was spent by overnight visitors

### Asheville visitor spending

Amounts in \$ millions

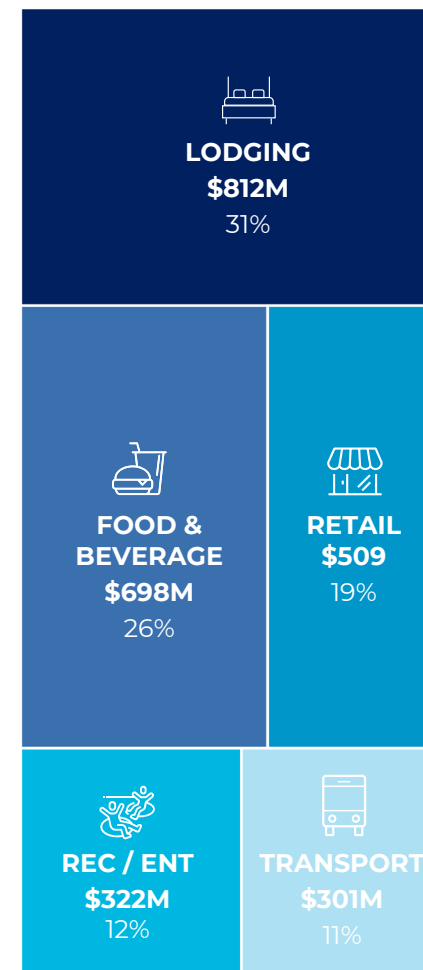


Sources: Longwoods Int'l, Tourism Economics

**\$2.6 BILLION**



Total Visitor Spending in 2021

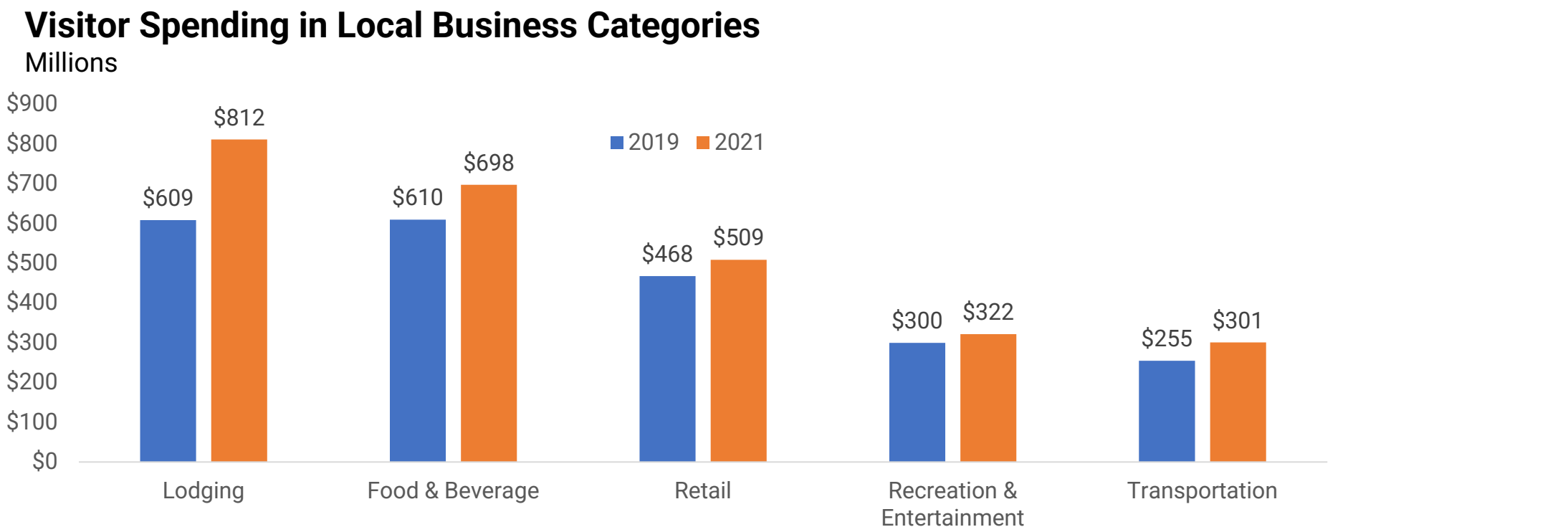


Source: Tourism Economics

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



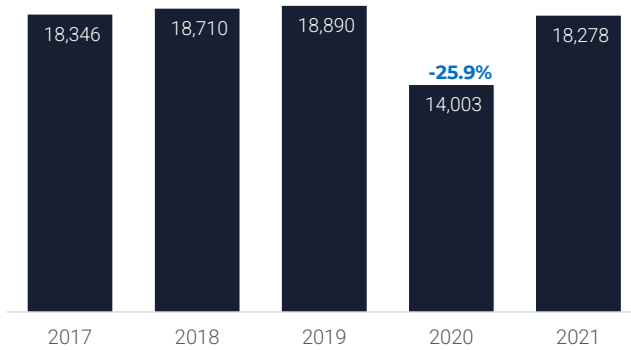
# Visitor spending in 2021 exceeded 2019 levels in every category



## DIRECT EMPLOYMENT IMPACTS

### Visitor supported employment in Buncombe County

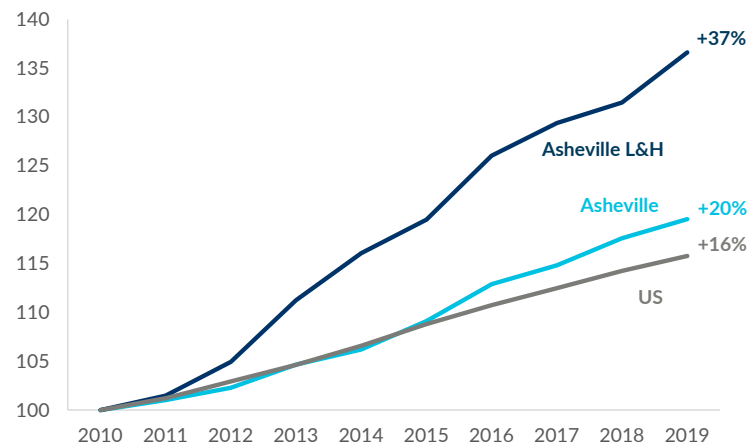
Amounts in number of jobs



Sources: Tourism Economics

### L&H employment in Asheville MSA

Index (2010=100)



Source: BLS



## VISITOR CONTRIBUTIONS IN CONTEXT



**\$2.6B**  
visitor  
spending

The \$2.6 billion in visitor spending means that nearly \$7.2 million was spent in local businesses EVERY DAY by visitors in Asheville and Buncombe County.



**\$915M**  
workforce  
income

The \$915 million in total workforce income generated by travel and hospitality is the equivalent of \$8,700 for every household in Buncombe County.



**27,000**  
total  
jobs


The number of jobs sustained by travel and hospitality (27,000) supports 14.4% of all jobs in Buncombe County.



**\$238M**  
state & local  
taxes

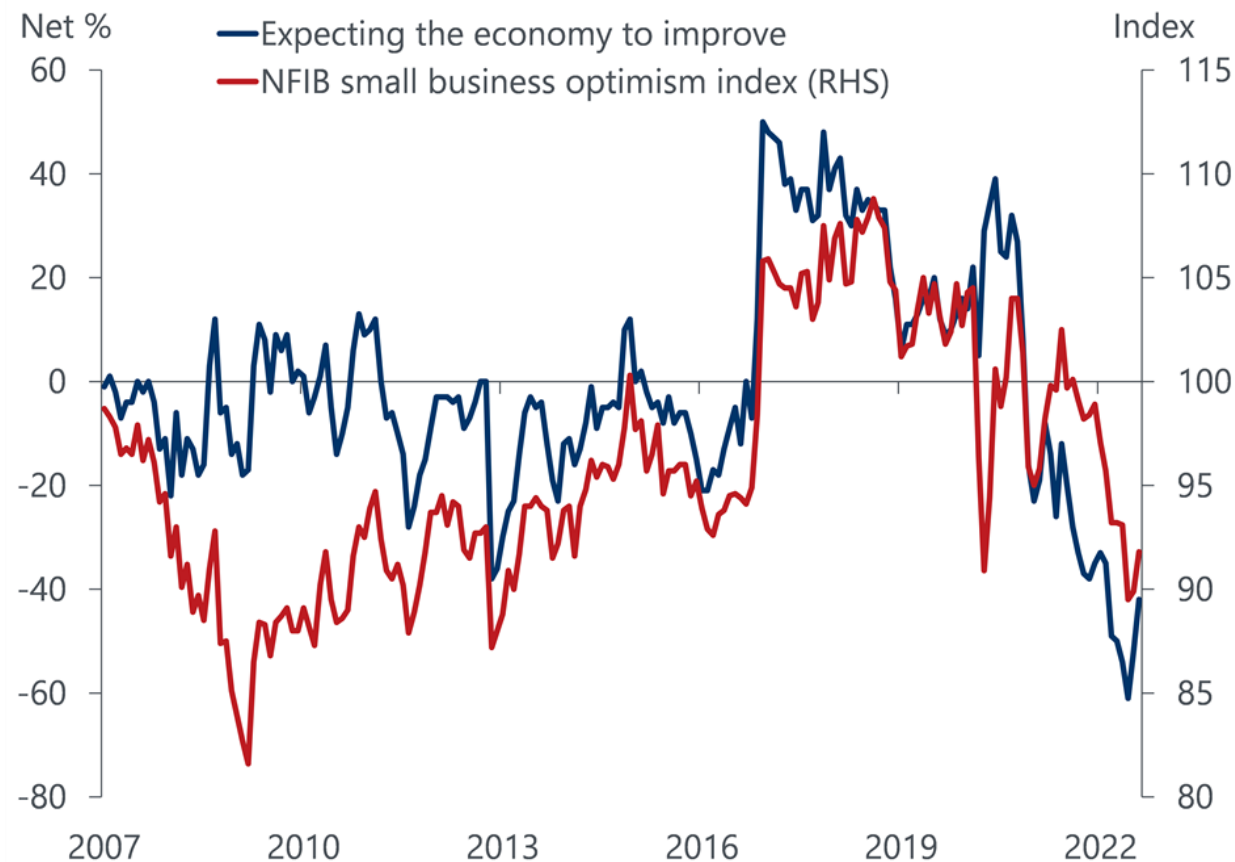
Each household in Buncombe County would need to pay an additional \$2,261 in taxes to replace the visitor taxes received by the state and local governments in 2021.



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- 1 Economic environment is tenuous
  - 2 Obstacles still oppose recovery
  - 3 Why the travel sector will prevail

# Small business optimism remains low despite recent uptick

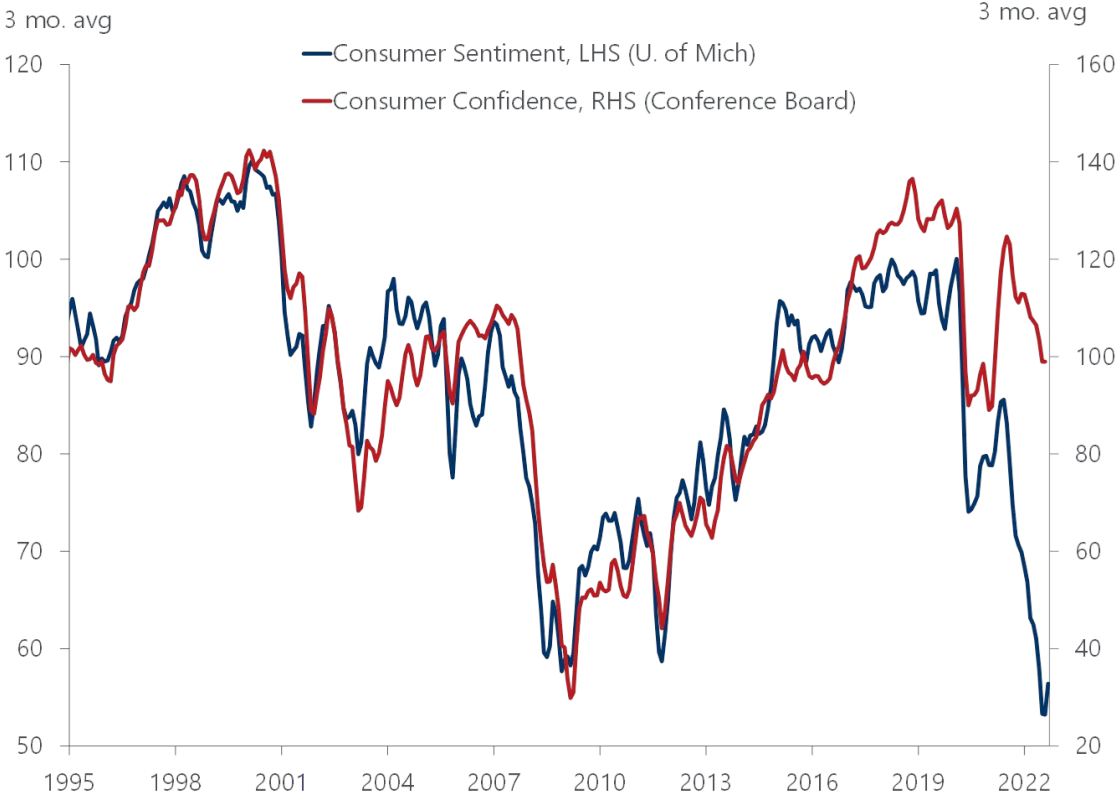
## US: Small businesses confidence



Source: Oxford Economics/Haver Analytics

# Consumers feeling uneasy

US: Consumer surveys



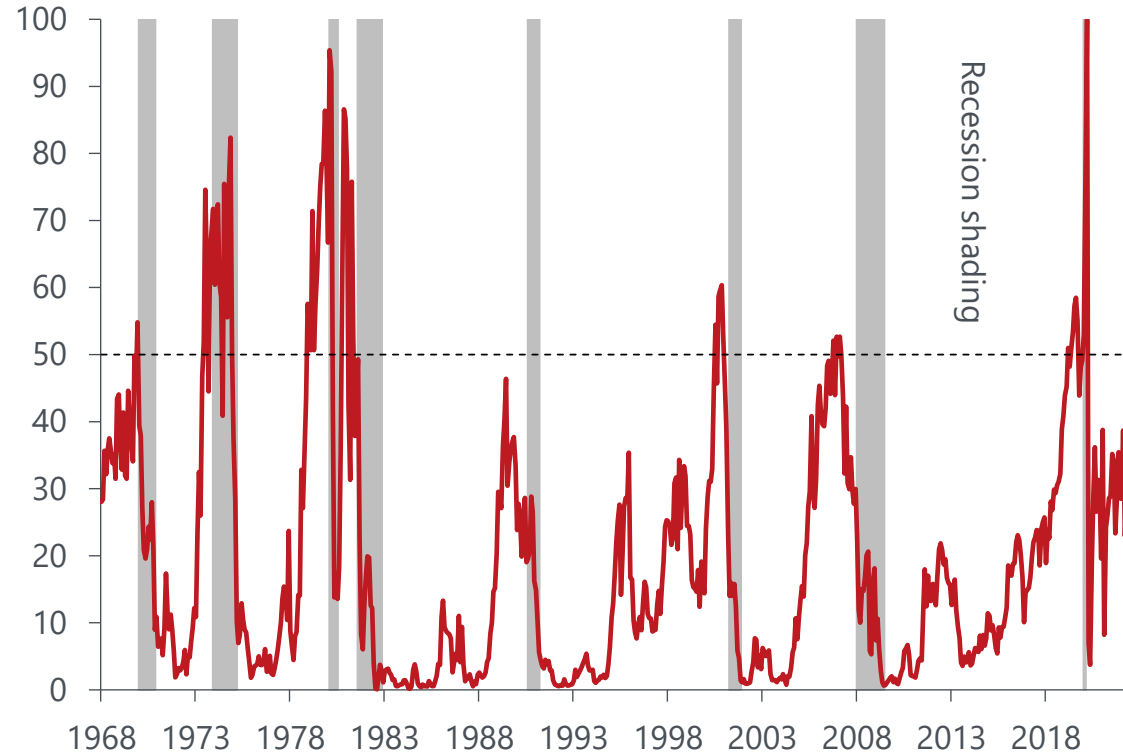
Source: Oxford Economics/Haver Analytics



# Oxford models don't see near term recession

US: Probability of a recession 3 months ahead

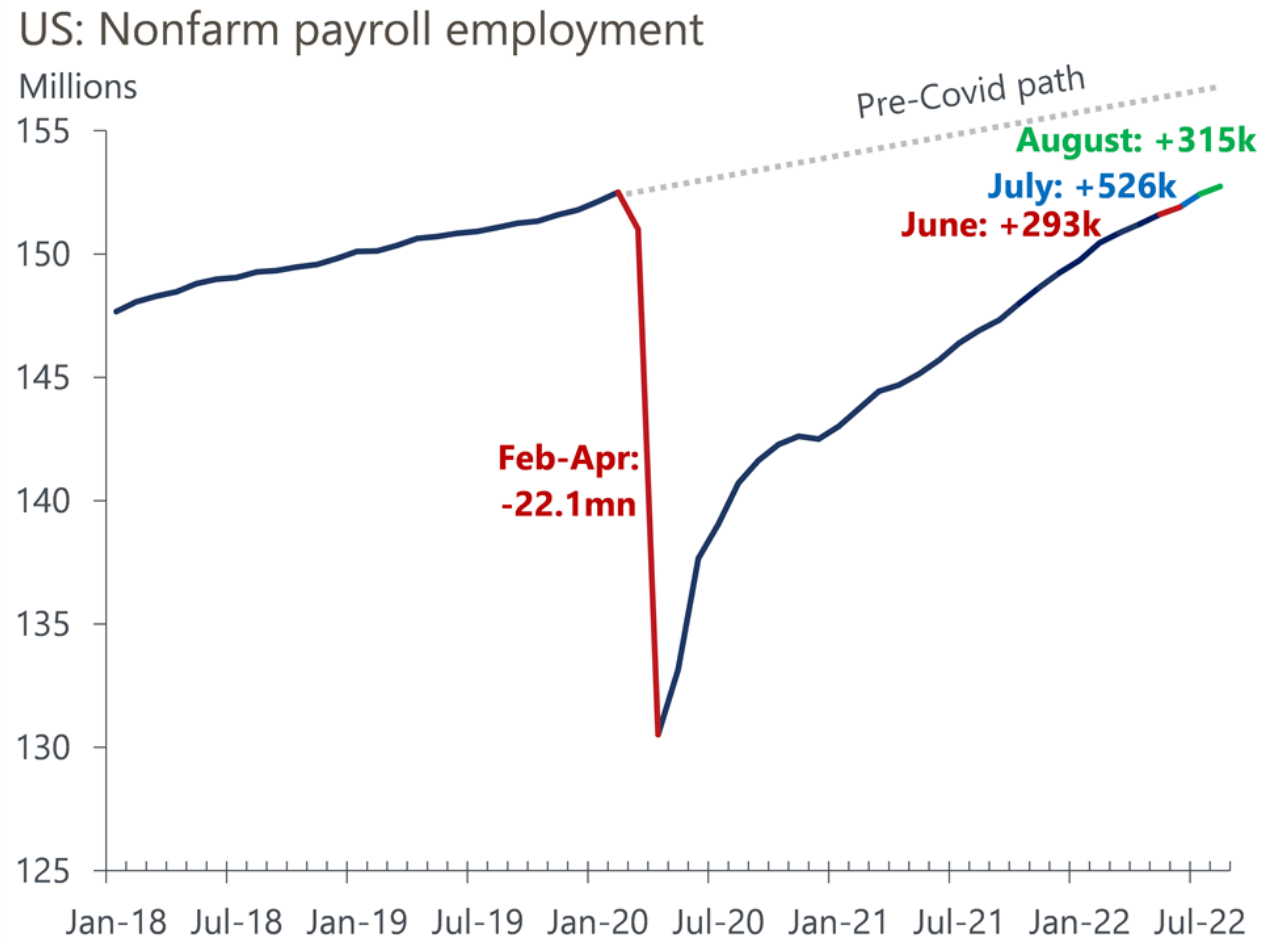
Percent, 3-month lead



Source: Oxford Economics

Using the Chicago Fed National Activity Index, the real federal funds rate & the yield curve

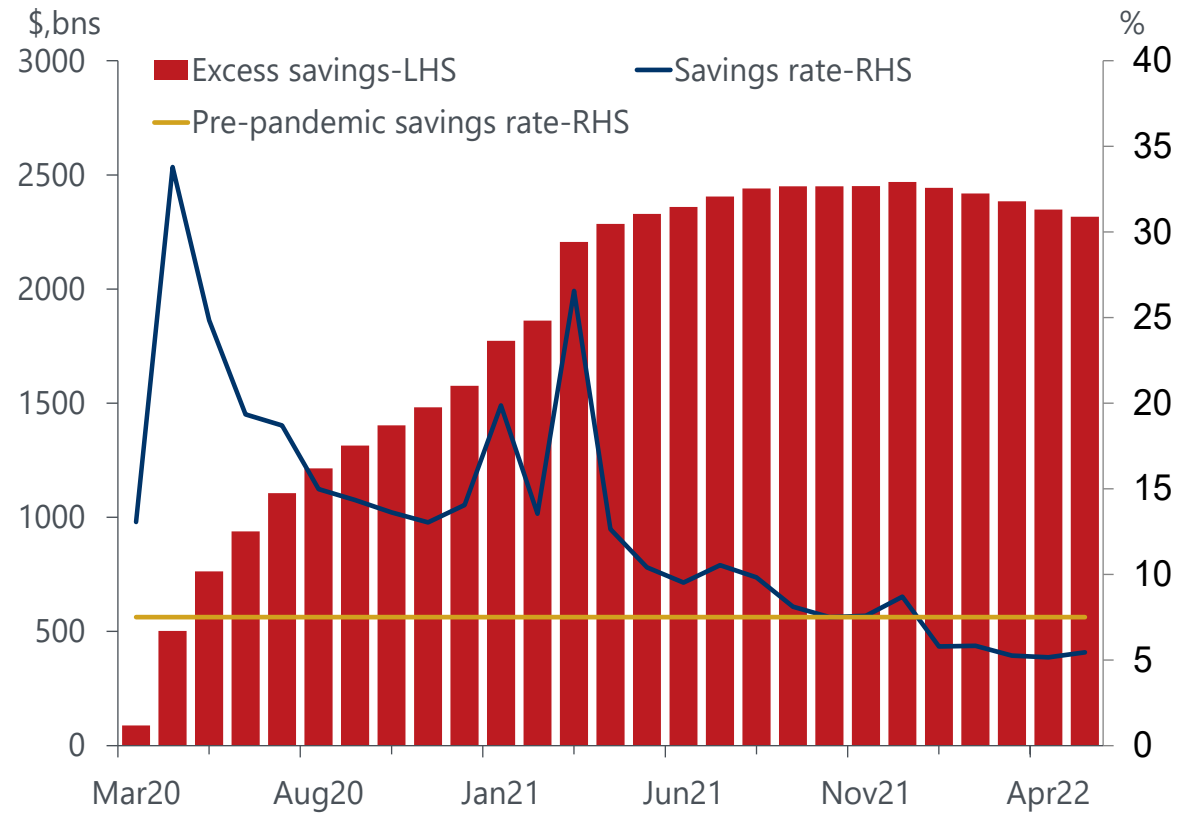
# Job growth continues to be strong



**Unemployment rate  
recovers from 15% to  
3.7% in record time**

# The savings war chest is being tapped

US: Excess savings based on reported personal income data



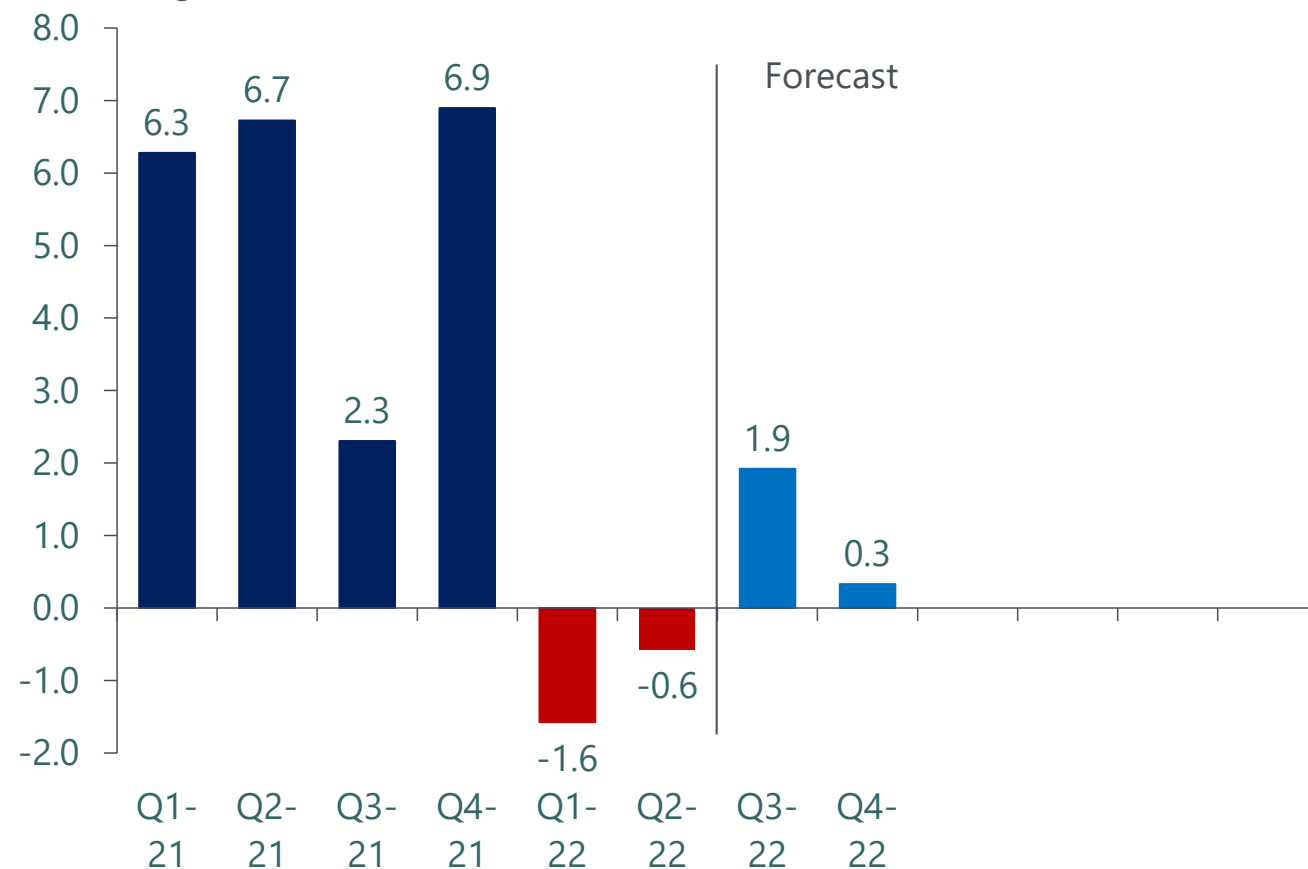
Source: Oxford Economics/Haver Analytics



# The US economy is resuming growth in the second half of 2022

## US: GDP Forecast

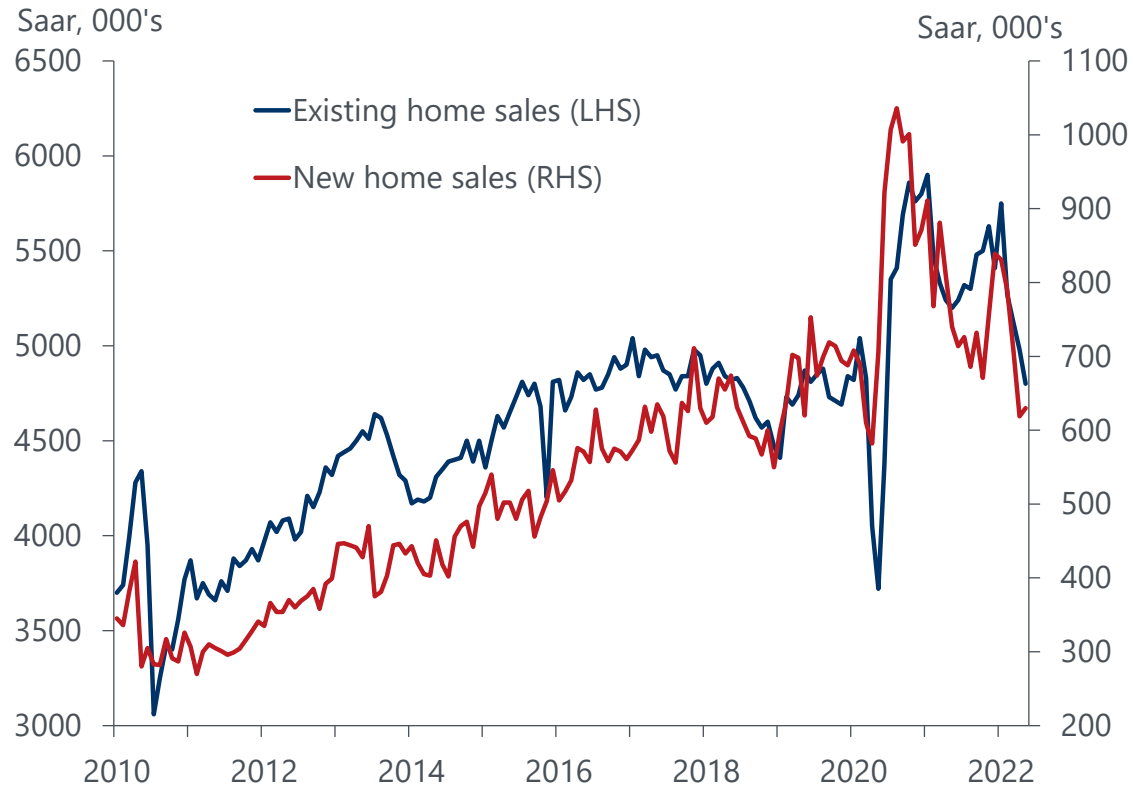
Real GDP growth, % annualized



Source: Oxford Economics

# Higher rates have taken a toll on housing

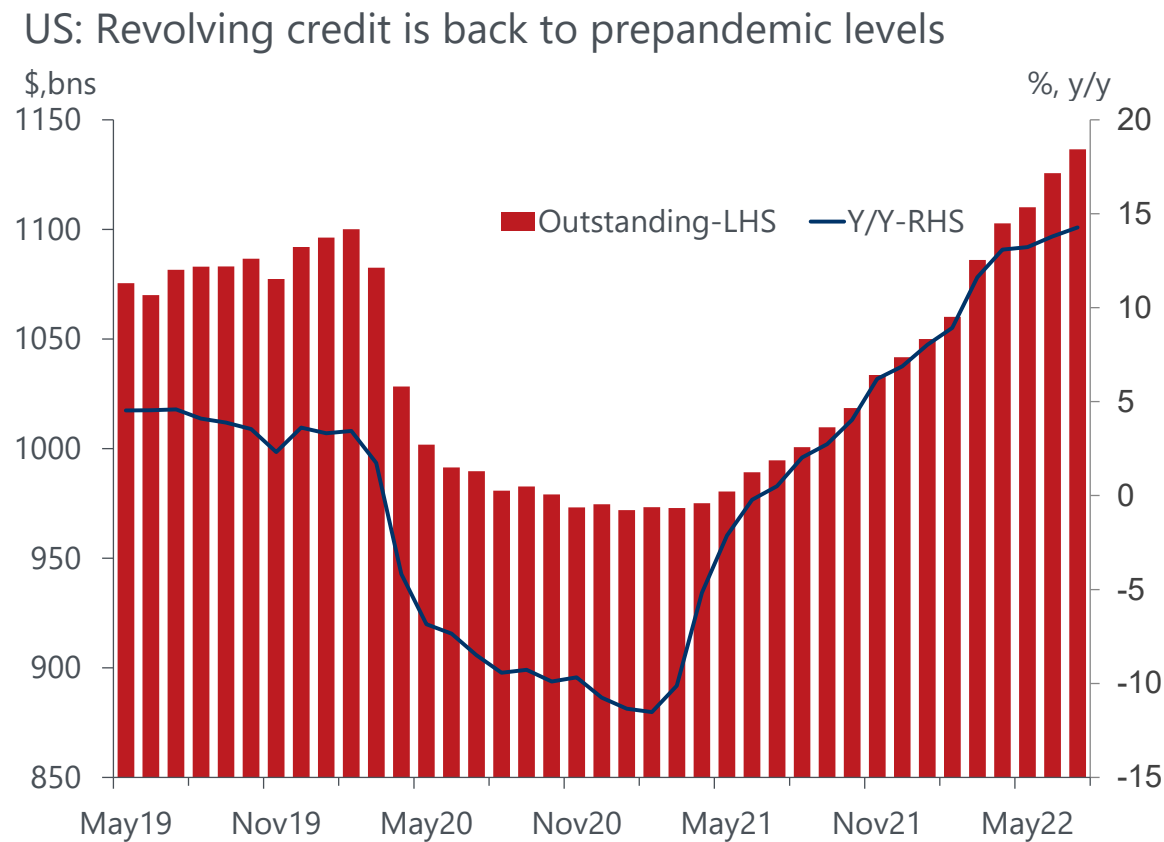
US: New and existing home sales



Source: Oxford Economics/Haver Analytics

~15mn households  
have been priced  
out by higher rates

# And households are taking on some debt

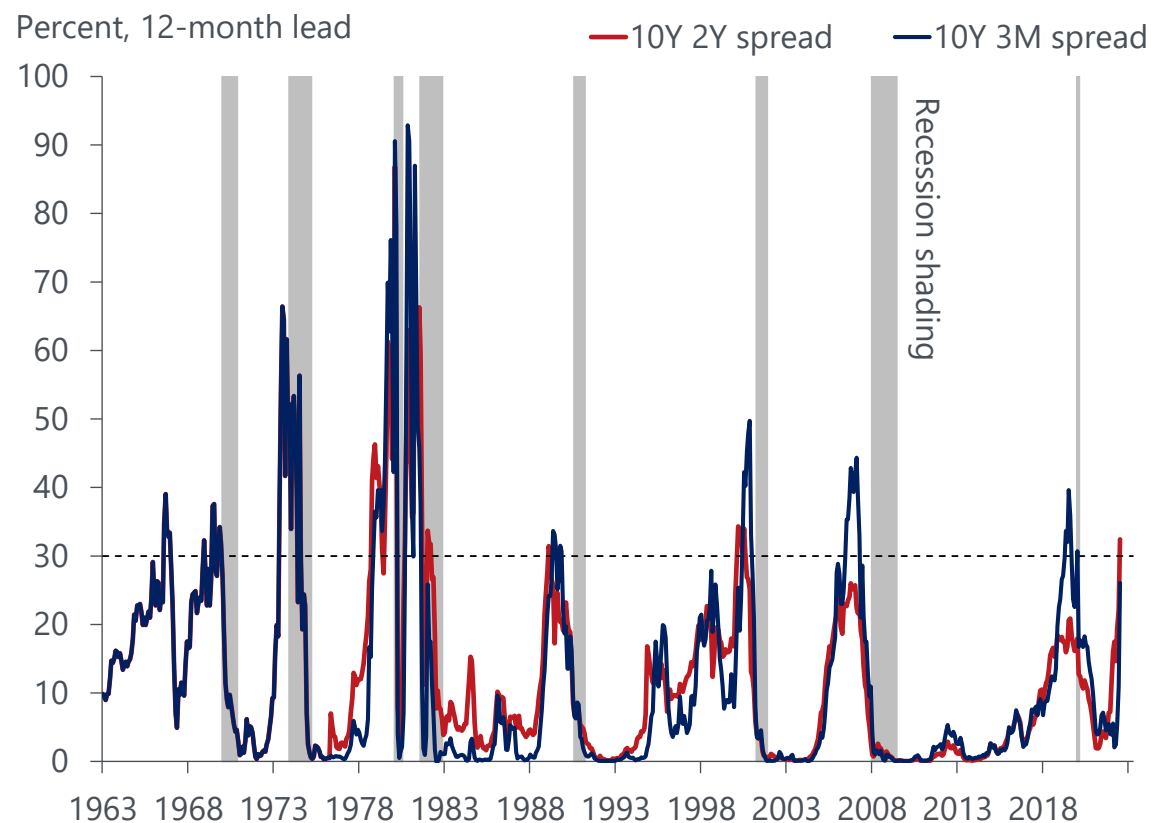


Source: Oxford Economics/Haver Analytics



# The yield curve indicates greater risk in 2023

US: Probability of a US recession 12-mo ahead



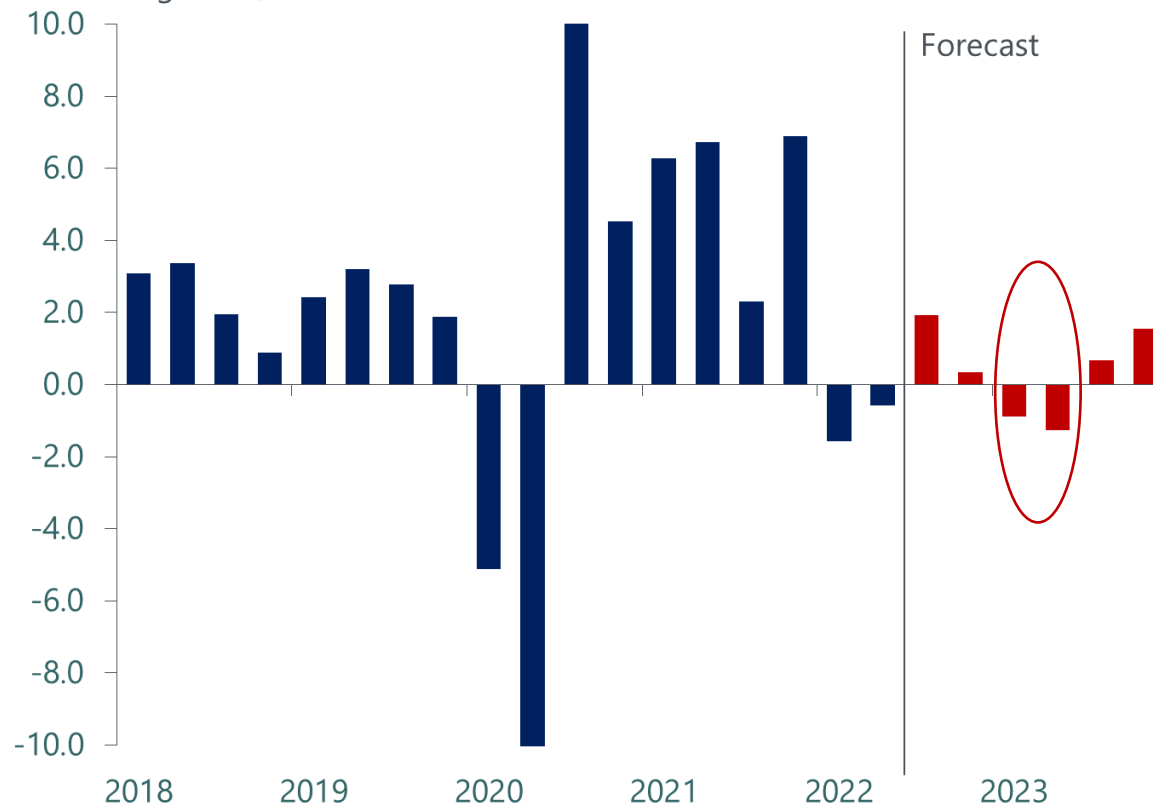
Source: Oxford Economics/New York Federal Reserve

Using the yield curve

# We are headed toward a recession in 2023

## US: GDP Forecast

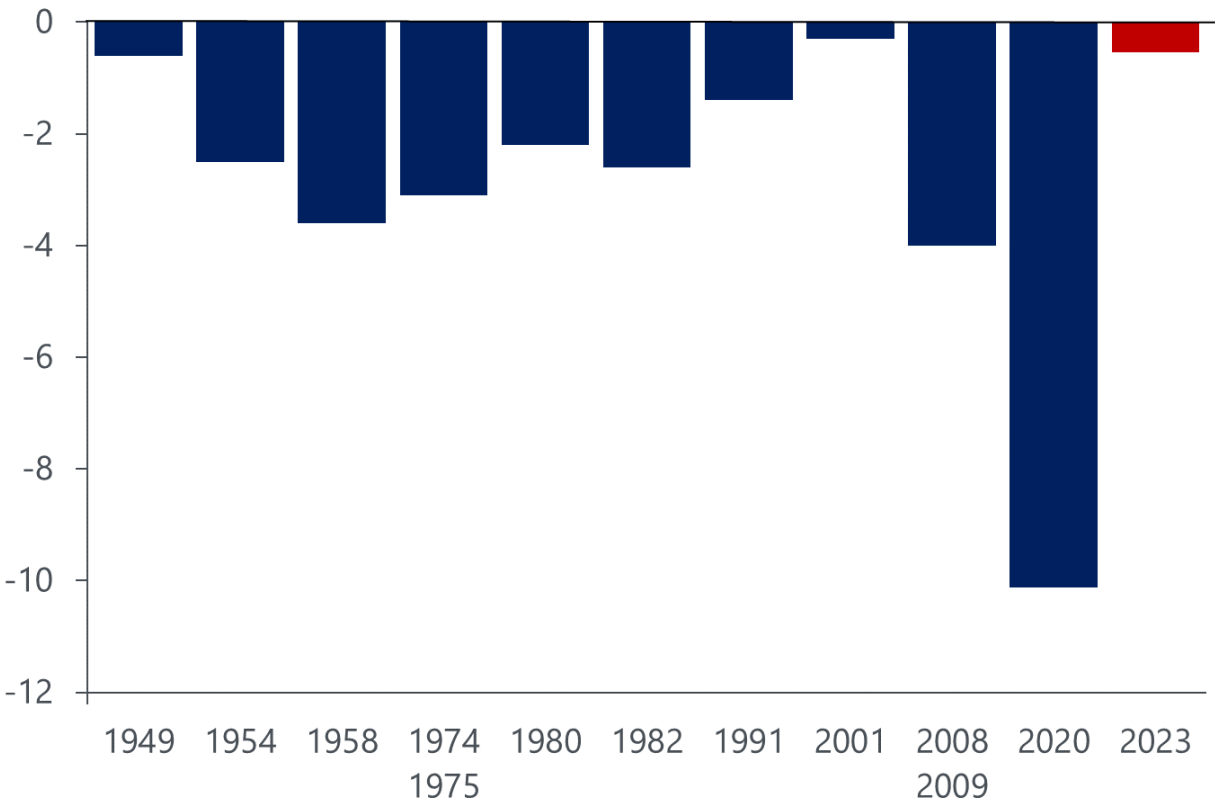
Real GDP growth, % annualized



# The recession will be mild by historical standards


US: Peak-to-trough recessions since 1949

% change, peak to trough



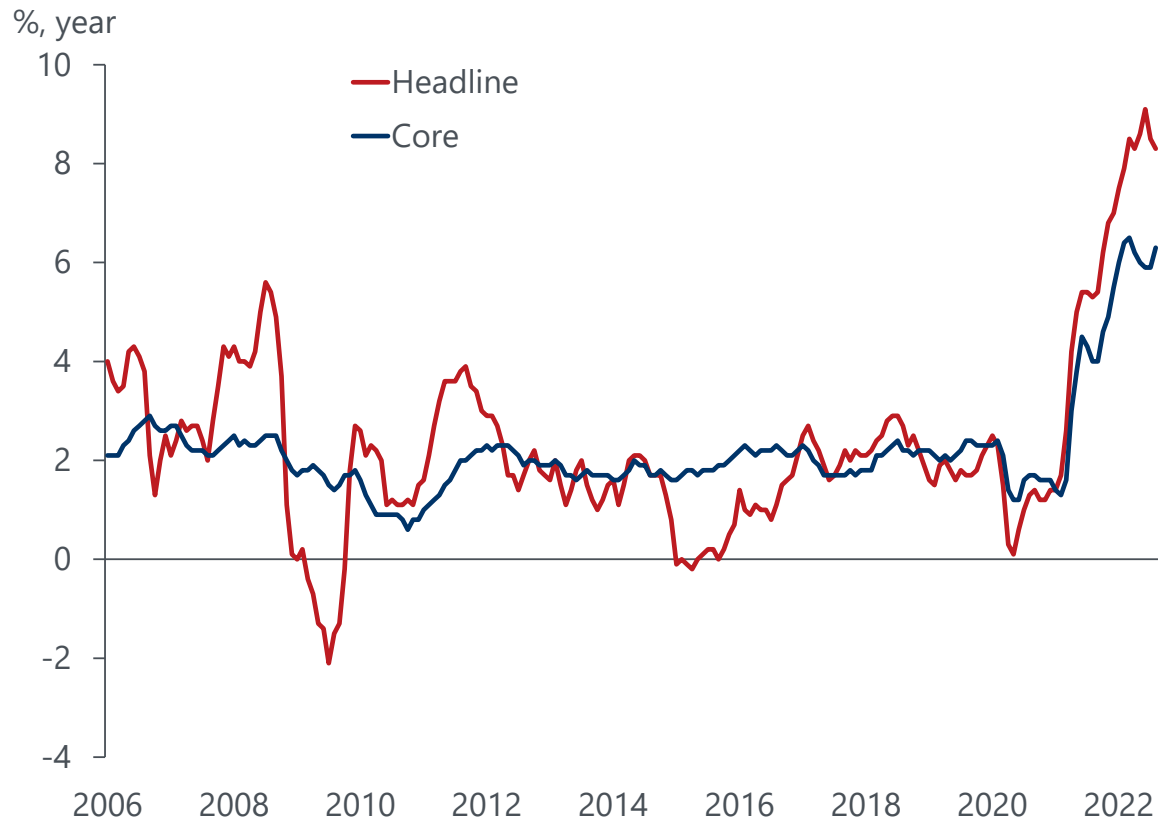
Source : Oxford Economics/Haver Analytics



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# Obstacle 1: inflation

## US: Consumer prices



Source: Oxford Economics/Haver Analytics

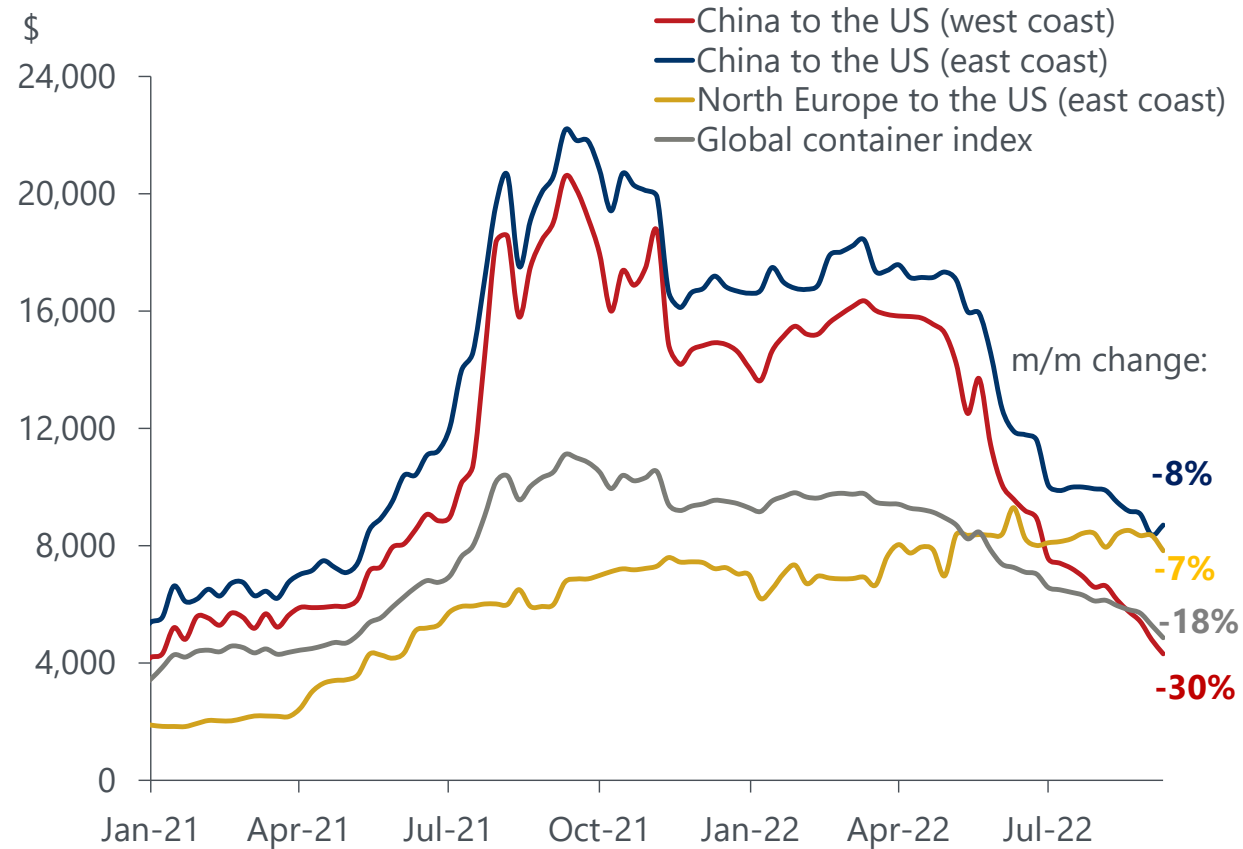
**August headline inflation up slightly  
(Core +.6%)**

**Annual rate softened but still high**

- **Headline: +8.3%**
- **Core: +6.3%**

# Good news as supply chain stresses ease

US: The cost of shipping a container from...



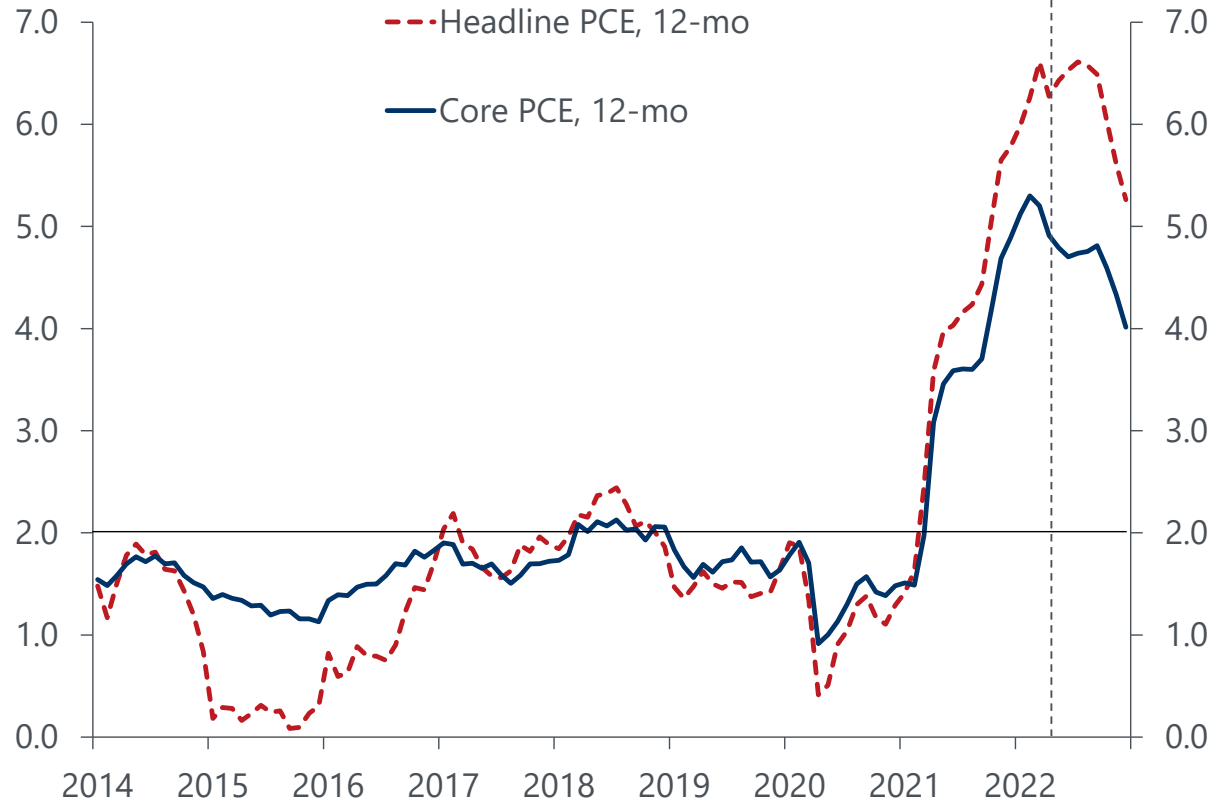
Source: Oxford Economics/Freightos Baltic Index



# Expecting a gradual descent in CPI inflation

## US: PCE Inflation

%, change

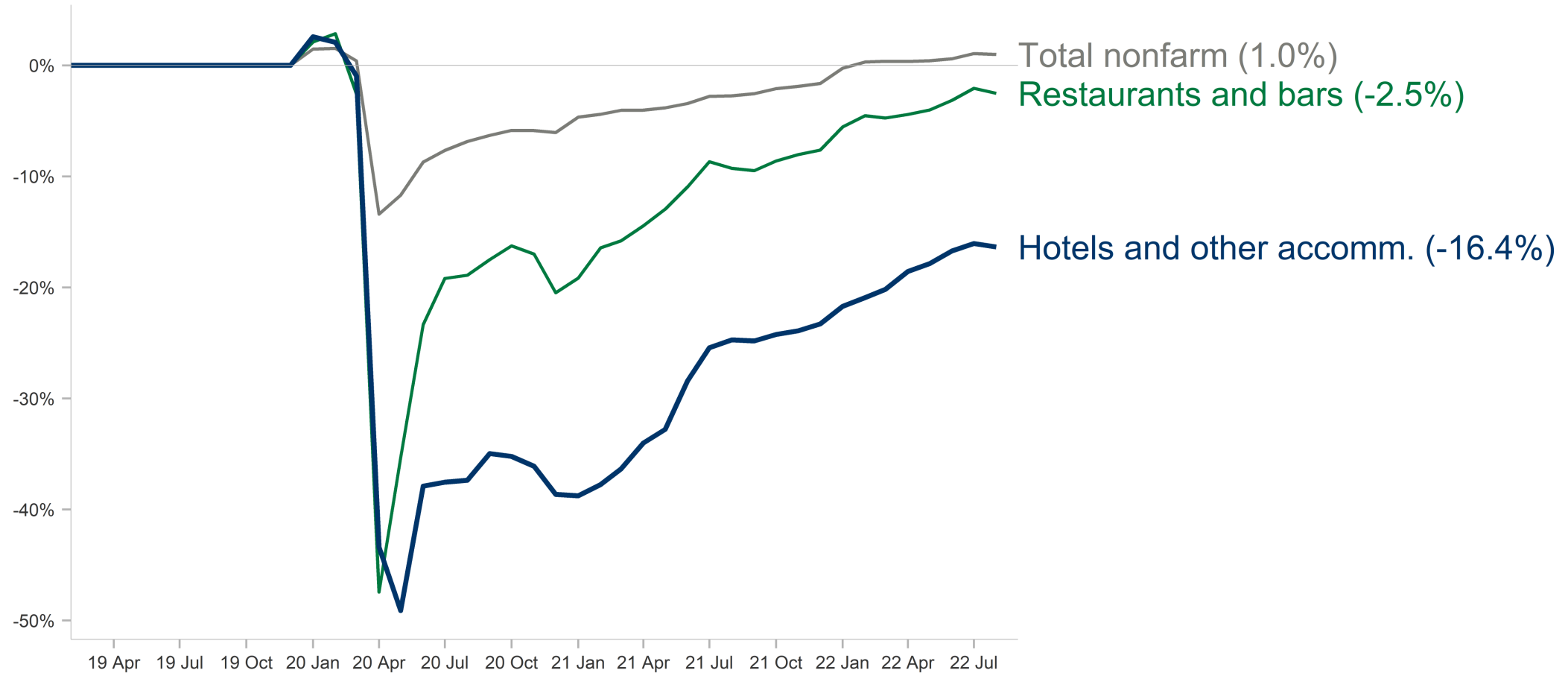


Source: Oxford Economics

## Obstacle 2: workforce

### Employment losses by sector

Relative to each month of 2019, US

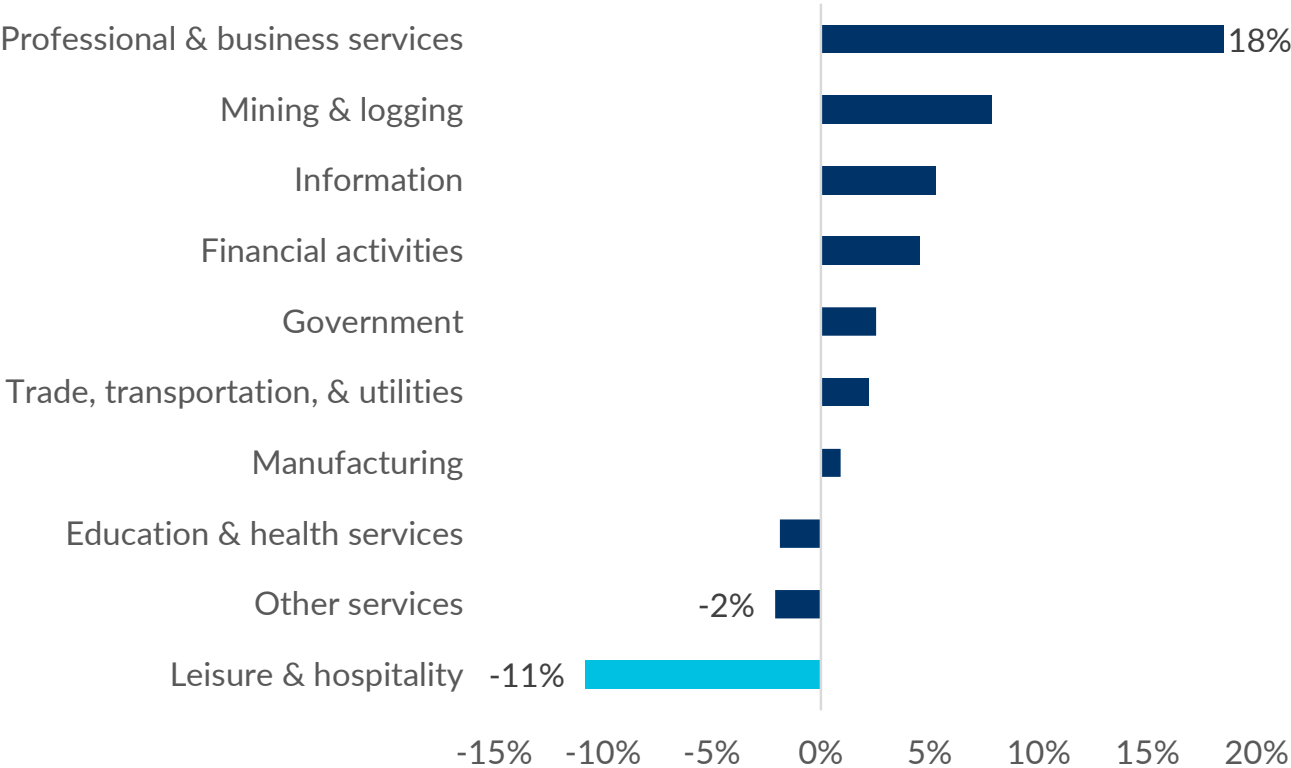


Note: Not seasonally adjusted. Data through August 2022. Source: Bureau of Labor Statistics

# Asheville L&H employment still 11% below 2019 levels

## Asheville MSA employment growth by industry

August 2022 compared to August 2019



Source: BLS



# Signs of improvement but still elevated openings

## Job openings

Openings rate, US

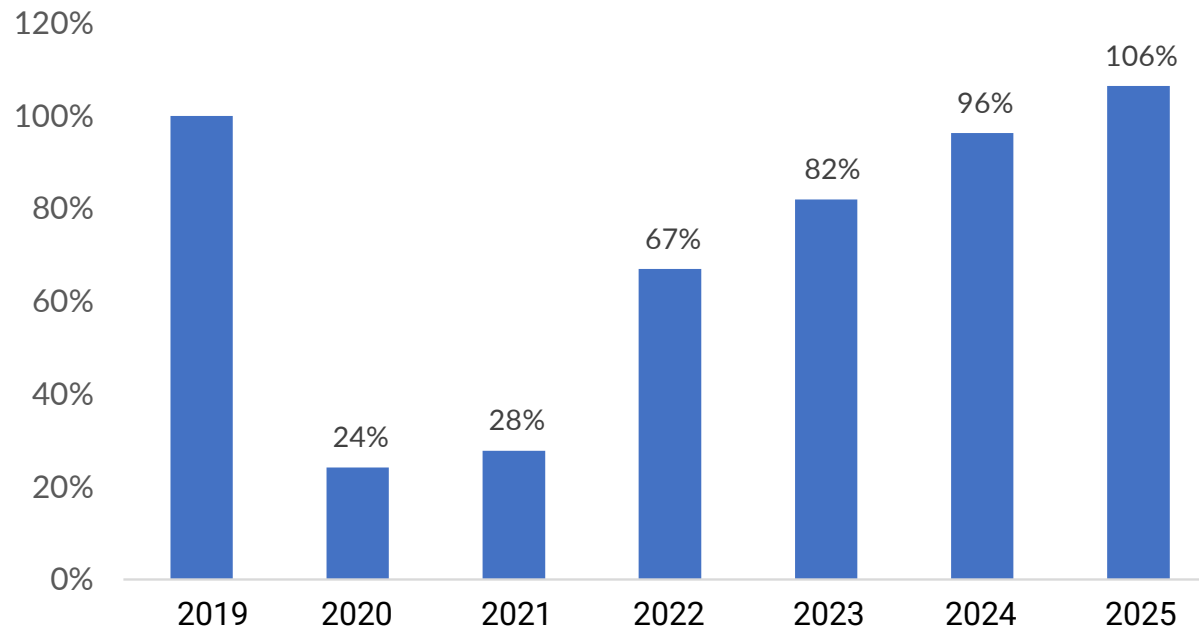


Note: The job openings rate is the job openings level as a percent of total employment plus job openings level. Data through July 2022. Seasonally adjusted. Total refers total private. Source: Bureau of Labor Statistics

## Obstacle 3: international inbound

### International inbound forecast

% of 2019

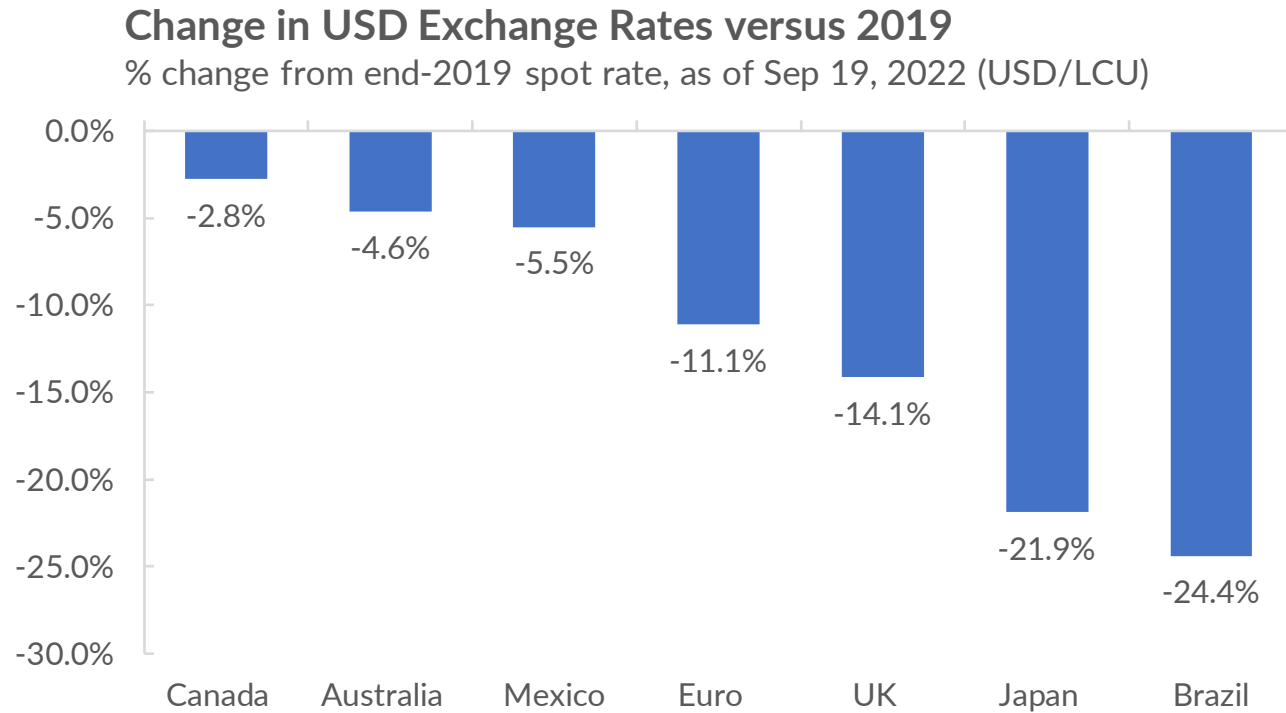


**August overseas inbound = 2.6 mn**  
**66% of Aug 2019 visits**

**June outbound = 4.5 mn**  
**75% of June 2019 departures**

Source: Tourism Economics


# And traveling to the US has gotten more expensive



Sources: Tourism Economics, Haver

Note: Negative change implies depreciation of local currency (LCU) versus USD.

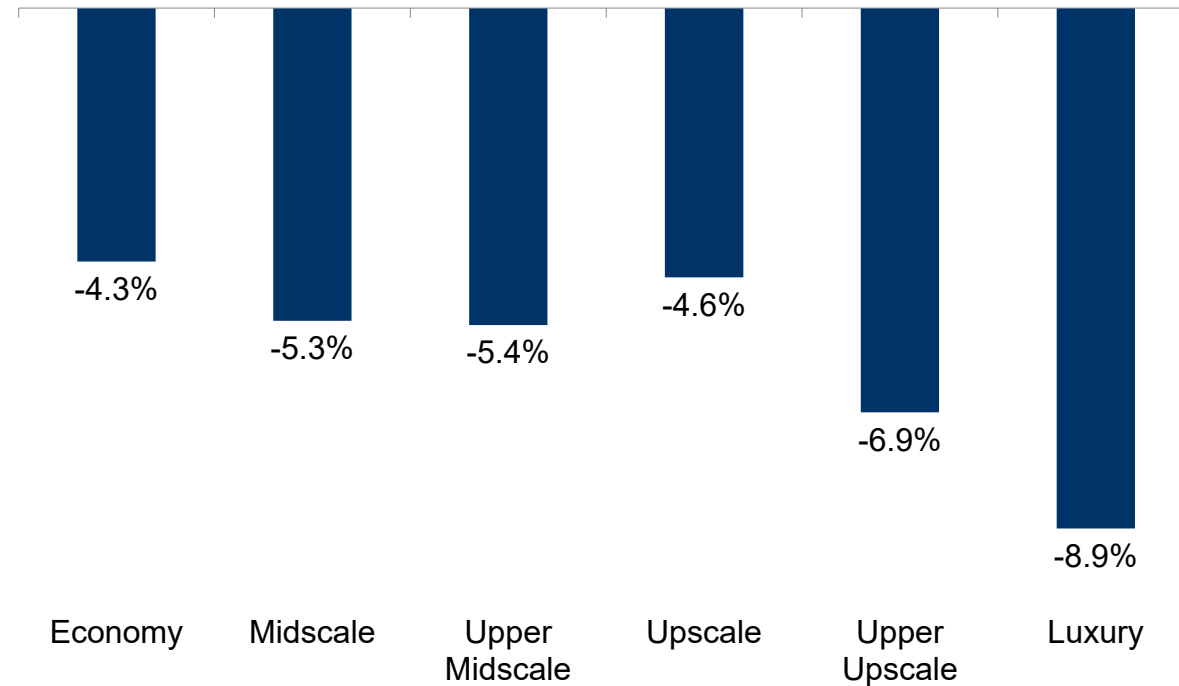


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# How does this usually work?

## Hotel room revenue during recessions

Average year-over-year % decline during recessions, 1990-2019



Source: Tourism Economics

# Why the travel sector will prevail

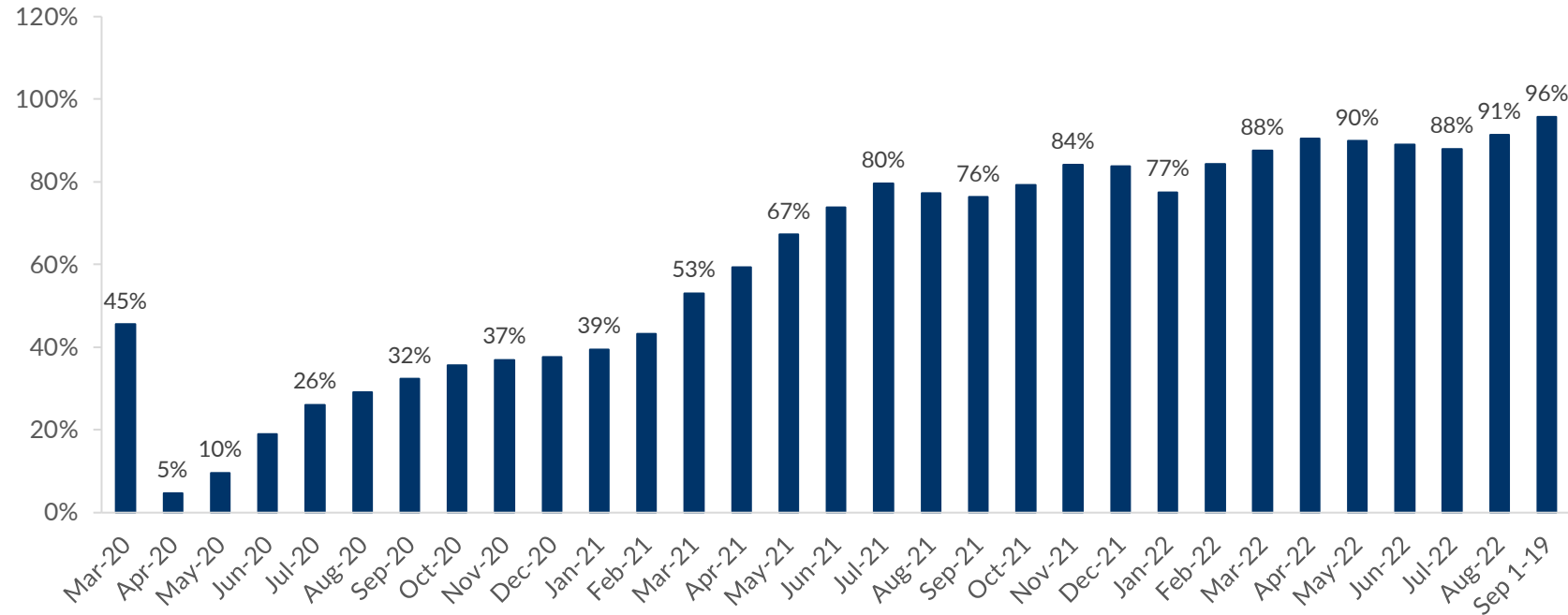
- 1 No signs of weakness yet!



# Air transportation continues to make gains

## Air Passenger Volume

% of 2019 level

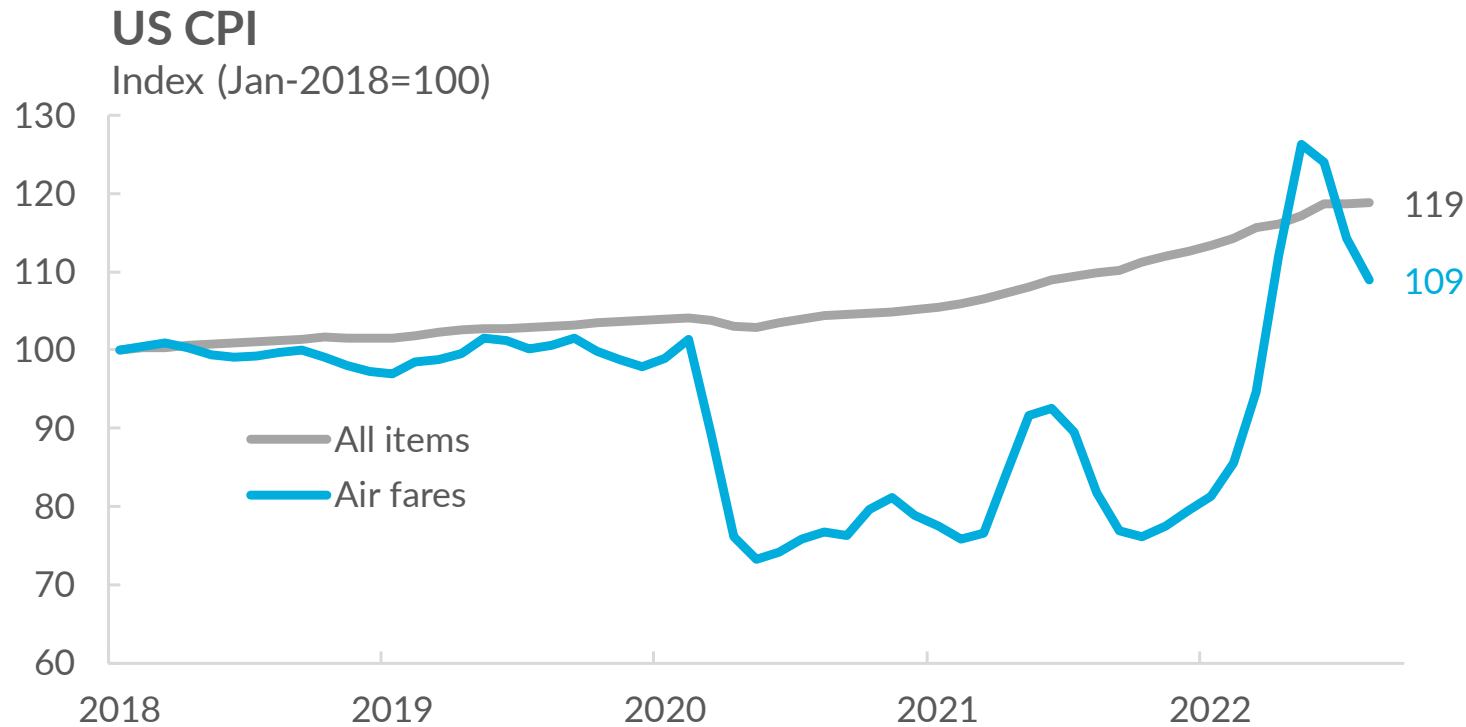


Source: TSA

**“In a normal world, 60% of our business is fly and 40% of it is drive. In the second quarter, we think it was 33% fly and 67% drive.”**

Hilton earnings call, July 27

# Air travel prices showing signs of relief



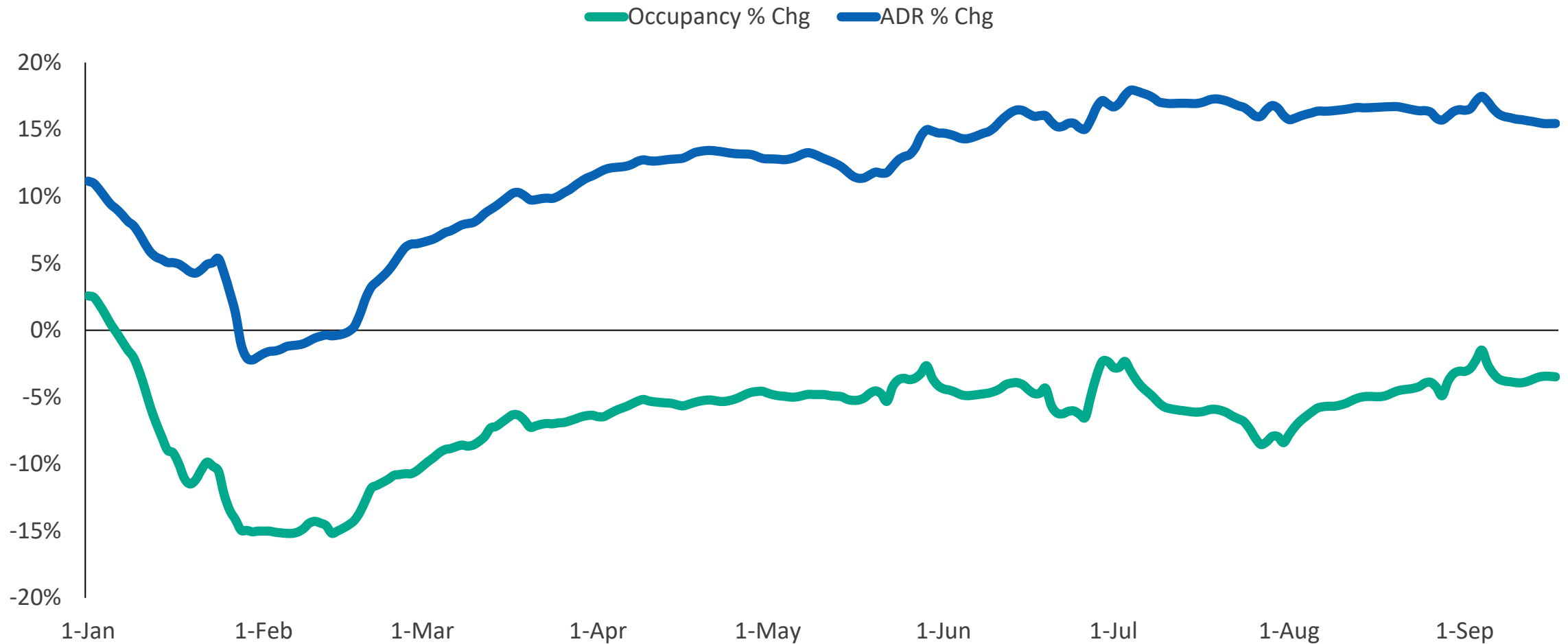
Sources: Tourism Economics, BLS, Haver

**“Strong demand and pricing trends are continuing into the September quarter.”**

Delta earnings call, July 13

# Occupancy, ADR recovery relatively stable

U.S., R28 occupancy and ADR % change to 2019, 1 Jan 2022 – 17 Sep 2022



# Why the travel sector will prevail

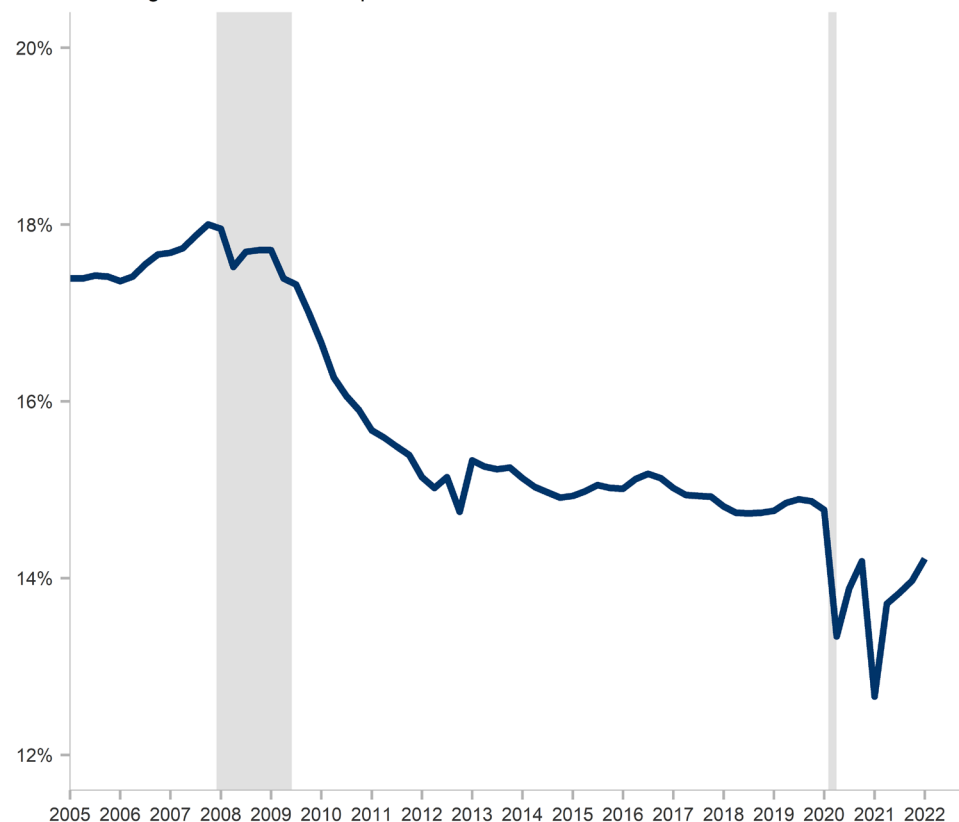
- 1 No signs of weakness yet!
- 2 US households are in a position of strength



# Household balance sheets remain strong

## Household debt service

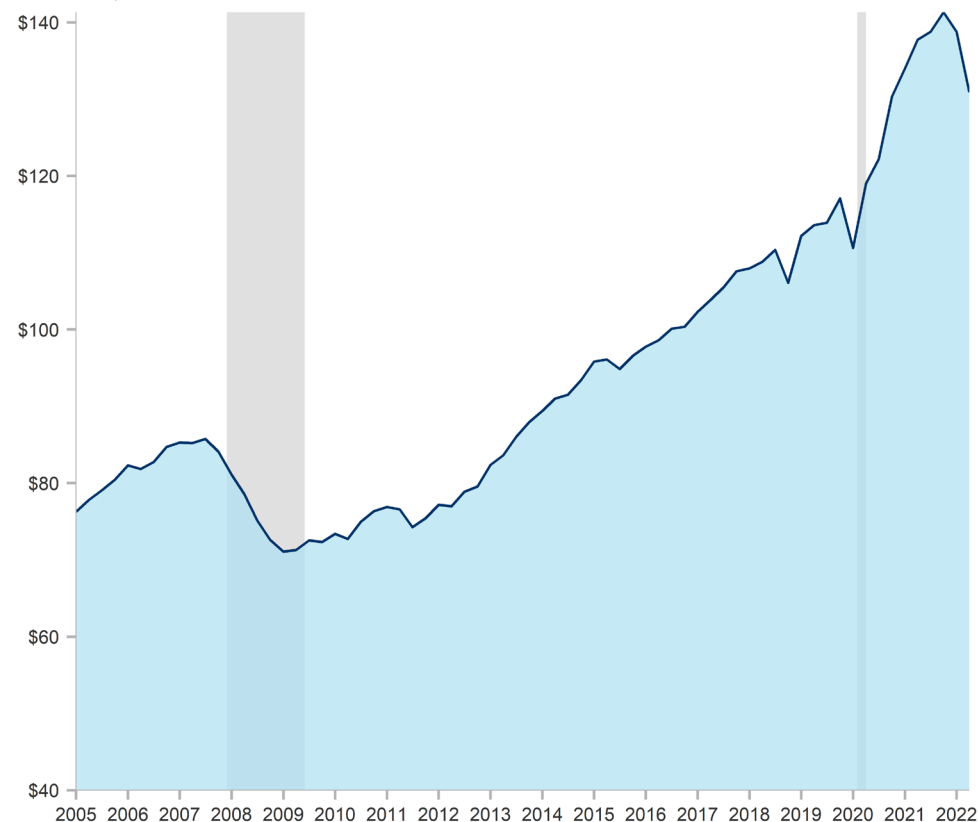
Financial obligations as ratio to disposable income



Note: Quarterly data through 2022Q1. Financial obligations ratio is the ratio of household debt payments, and payments such as rent and auto leases, to disposable income. Source: Federal Reserve, NBER

## Household net worth

In trillions, real



Note: 2020 dollars. Quarterly data through 2022Q2. Net worth of households and nonprofit organizations. Measures assets such as housing and financial assets, minus liabilities. Source: Federal Reserve, NBER

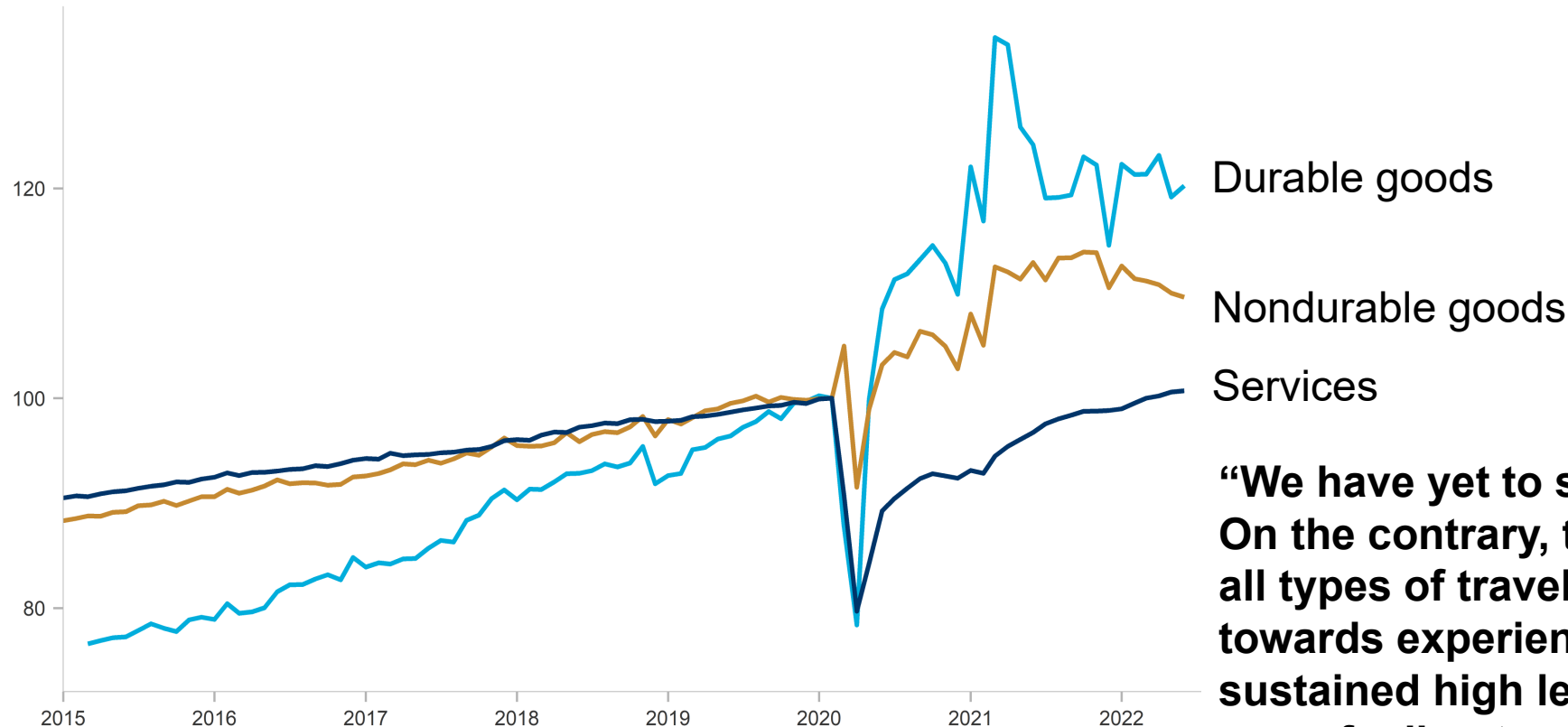
# Why the travel sector will prevail

- 1 No signs of weakness yet!
- 2 US households are in a position of strength
- 3 Pent-up demand and prioritization of travel is real

# Spending continues to rise... especially for services

## Consumer spending, real

Index (Feb 2020=100), increase since February 2020 in labels



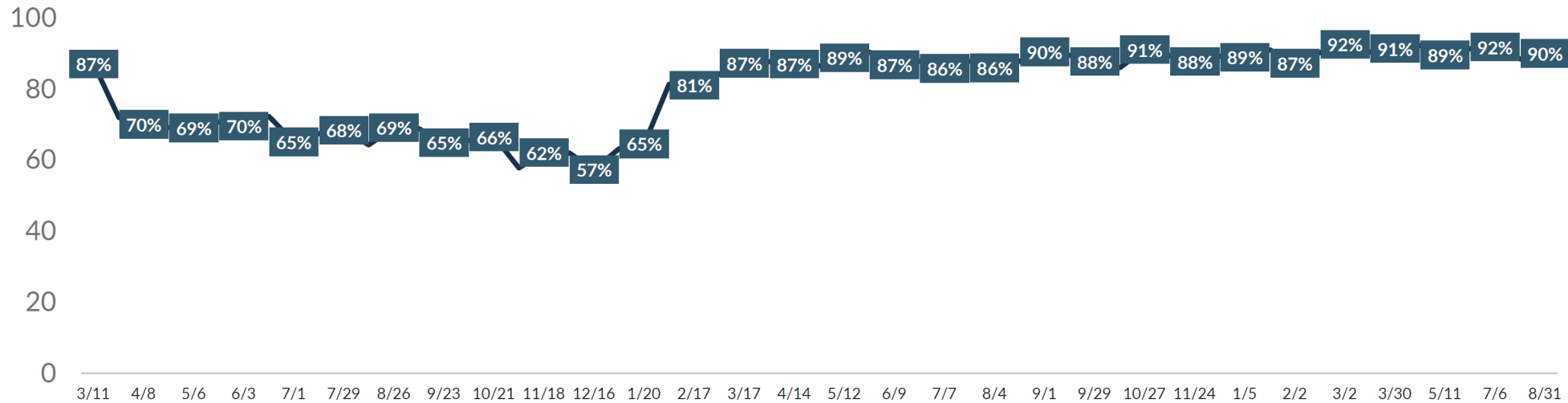
Note: Real. Seasonally adjusted monthly data through June 2022  
Source: Bureau of Economic Analysis

**“We have yet to see signs of a slowdown. On the contrary, the pent-up demand for all types of travel, the shift of spending towards experiences versus goods, sustained high levels of employment ...are fueling travel.”**

Marriott earnings call, Aug 2

# Intentions to travel remain elevated

## Travelers with Travel Plans in the Next Six Months Comparison

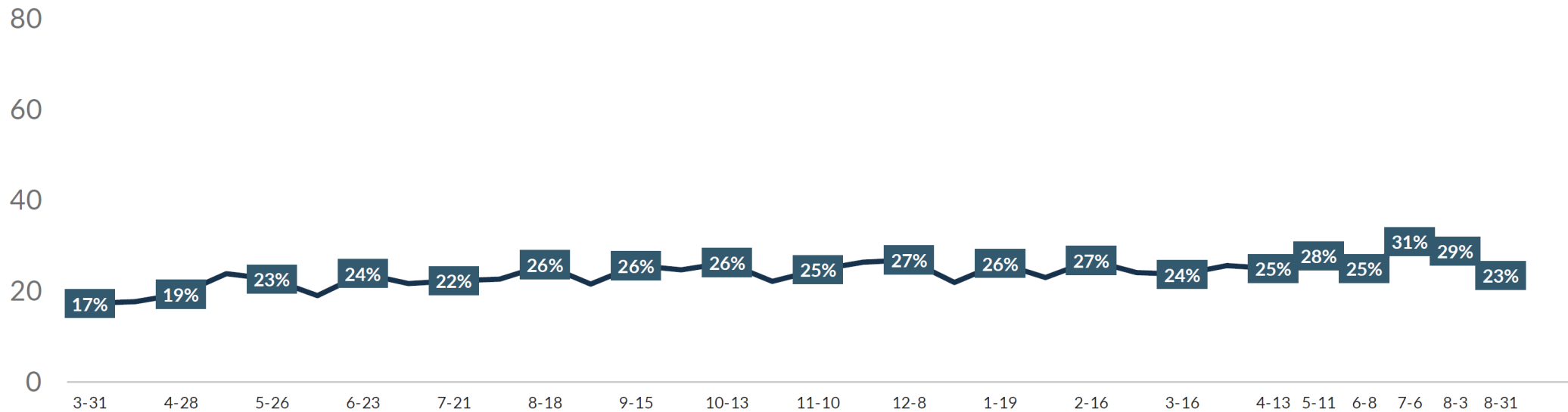


Travel Sentiment Study Wave 65

Longwoods INTERNATIONAL | miles PARTNERSHIP

# And finances seem to be a low concern at the moment

Indicated that Concerns About Personal Financial Situation Would Greatly Impact their Decision to Travel in the Next Six Months



Travel Sentiment Study Wave 65

Longwoods INTERNATIONAL | miles PARTNERSHIP

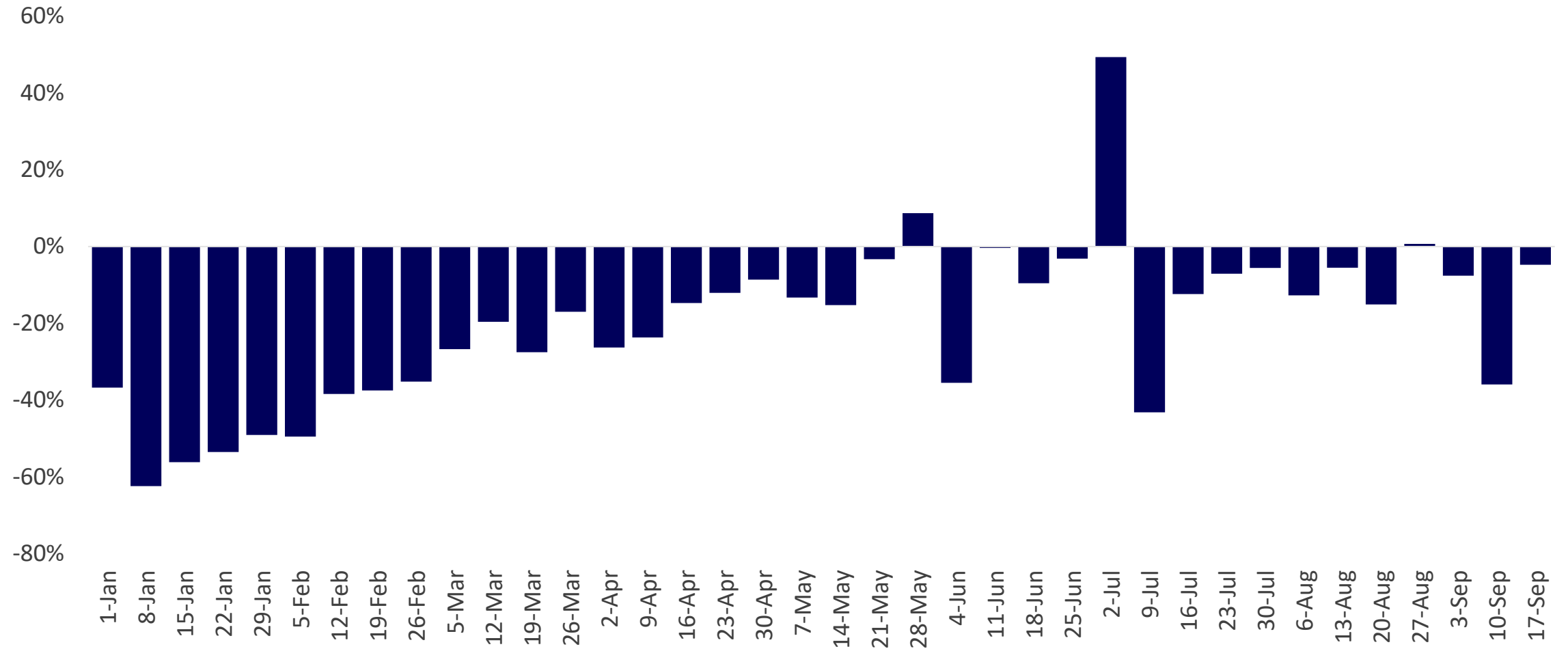



# Why the travel sector will prevail

- 1 No signs of weakness yet!
- 2 US households are in a position of strength
- 3 Pent-up demand and prioritization of travel is real
- 4 Businesses are still restoring necessary travel

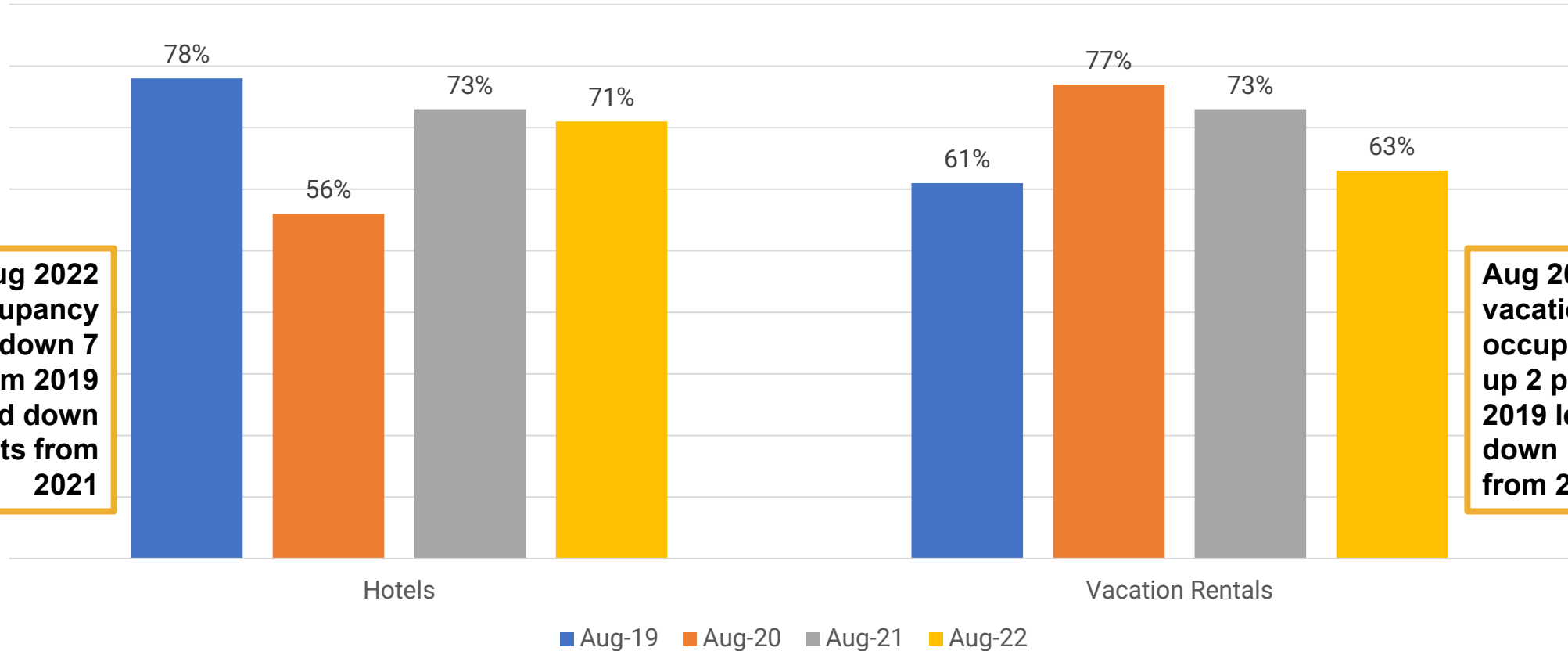
# Group room demand only down 7% this summer

U.S., R7 group demand % chg to 2019, weeks ending 1 Jan 2022 – 17 Sep 2022

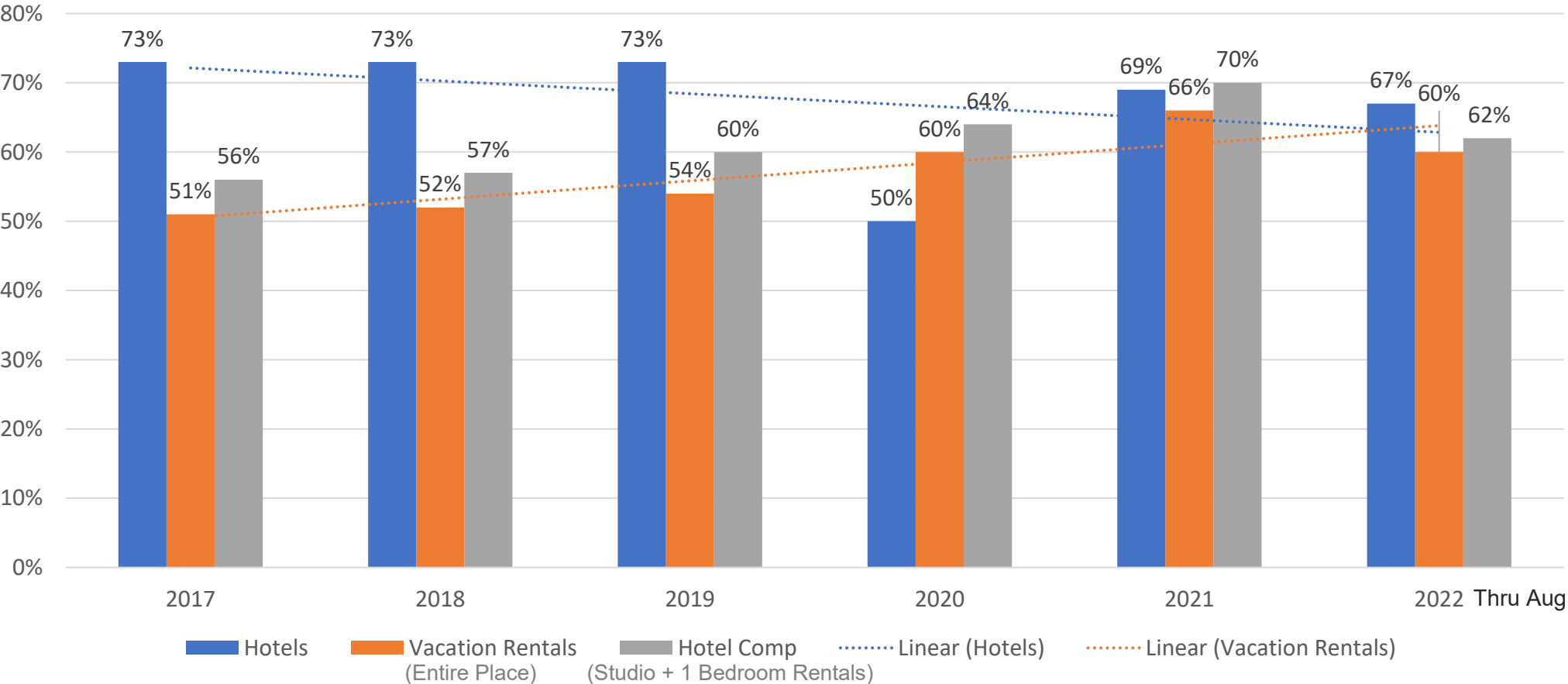


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# August lodging occupancy still strong



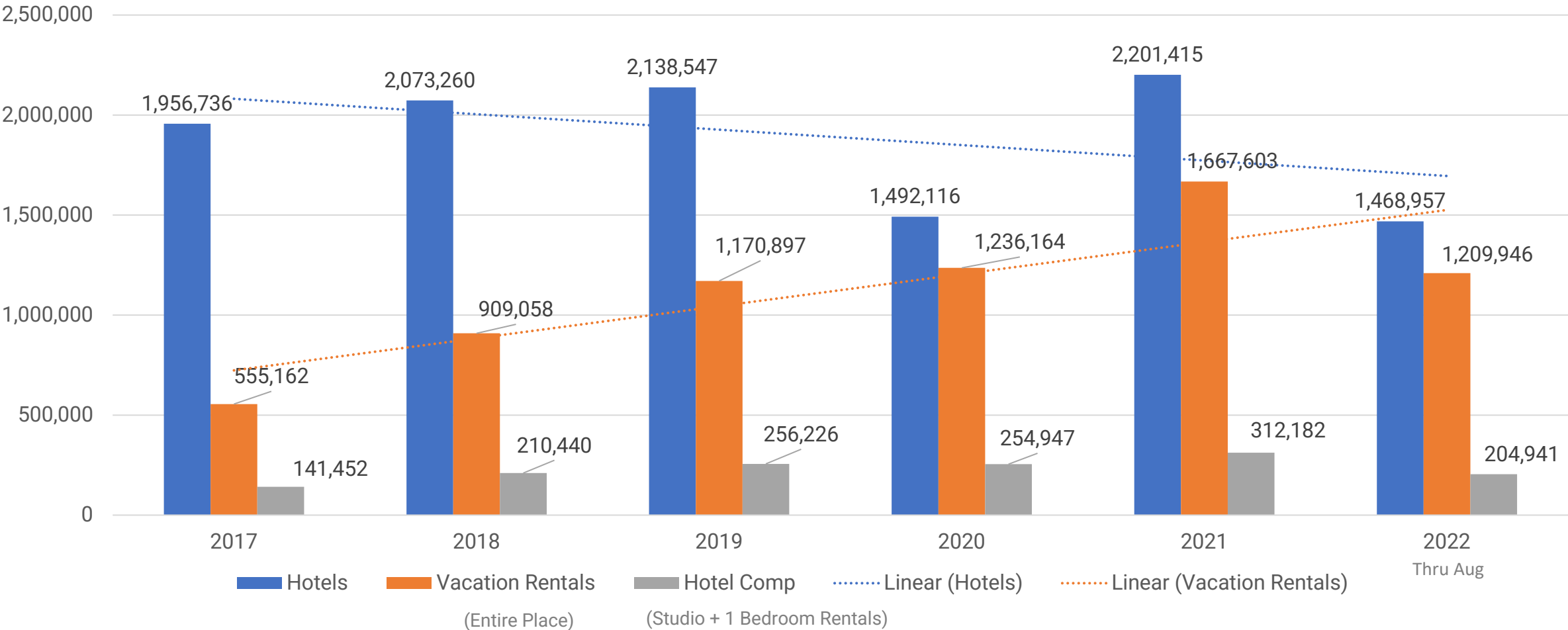
# Recent occupancy performance is consistent with longer run trend



Source: STR & AirDNA  
Occupancy = Percentage of rooms occupied



# Room demand by lodging type

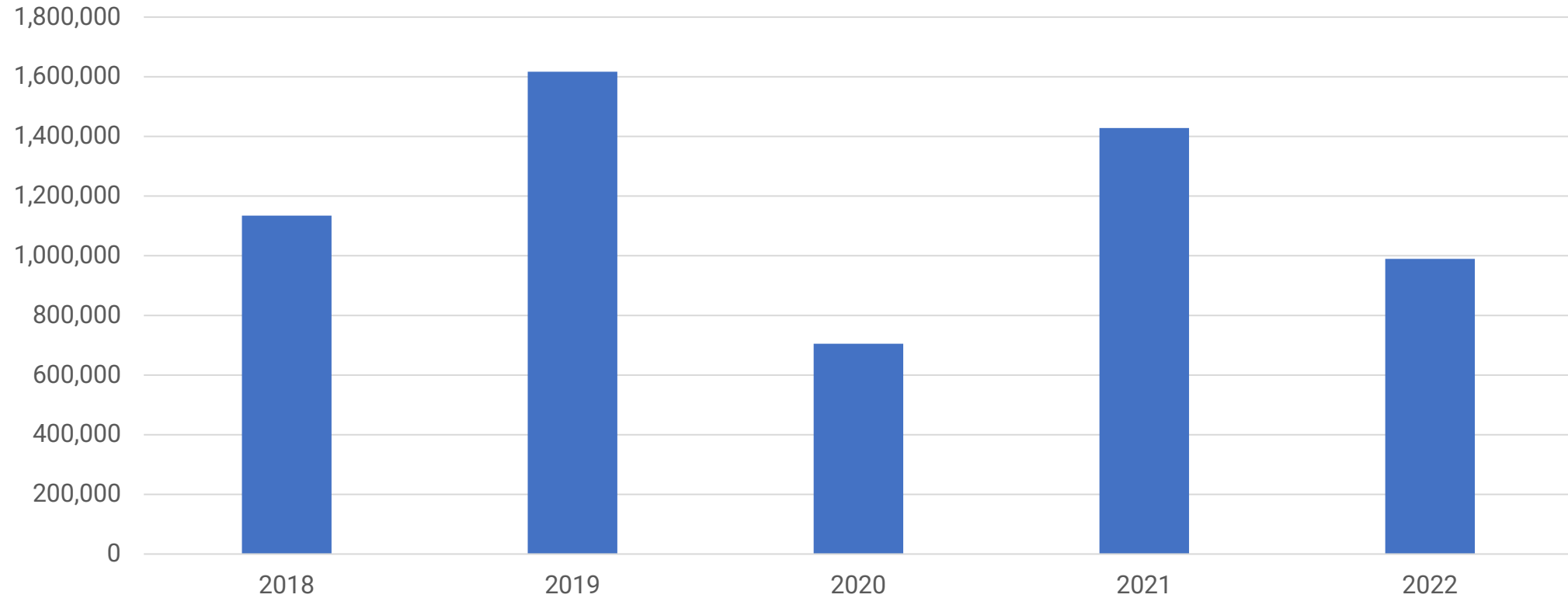


Source: BCTDA; STR; AirDNA  
Room Demand = Total number of hotel rooms or rentals sold or rented (excludes complimentary rooms)

# Auto travel remains as air travel recovers

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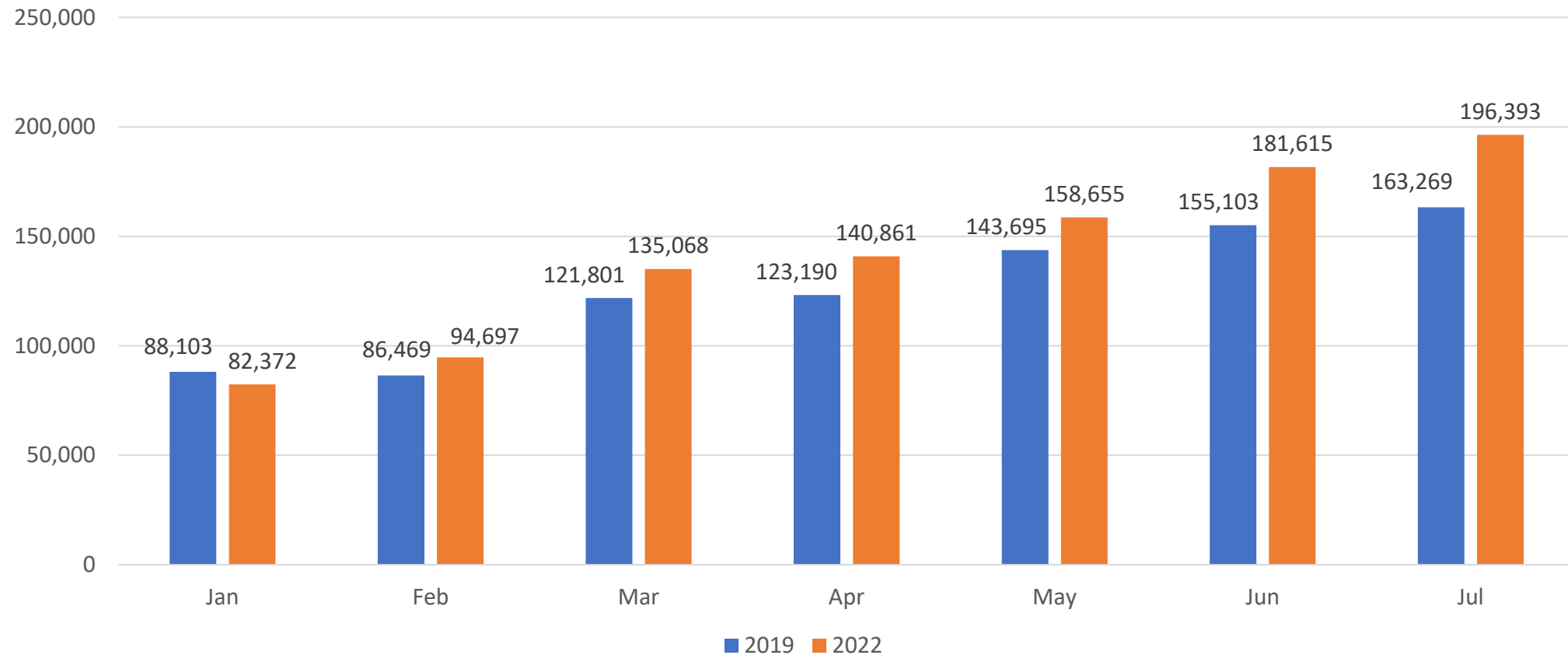
## Asheville Regional Airport Passengers



Source: Asheville Regional Airport Authority

# Asheville air travel on pace to eclipse 2019

## Asheville Regional Airport Passengers



Source: Asheville Regional Airport Authority

# CITY COUNCIL UPDATE

**Councilmember Sandra Kilgore**

Asheville City Council Update

# BC COMMISSION UPDATE

**Commissioner Robert Pressley**

Buncombe County Commission Update



# MISCELLANEOUS BUSINESS

**Chair Kathleen Mosher**

# LIVE VIRTUAL PUBLIC COMMENTS

## **Chair Kathleen Mosher**

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 Tuesday, September 27 no requests to speak had been received.

# IN-PERSON PUBLIC COMMENTS

## **Chair Kathleen Mosher**

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**

- Motion for Consideration:
  - Motion to adjourn the BCTDA meeting
- Motion Second
- Discussion
- Vote

# NEXT BCTDA MEETING



*Thanks for attending!*

The next BCTDA meeting:

**Wednesday, October 26, 2022 | 9:00 a.m.**

**Explore Asheville Board Room**

**27 College Place | Asheville**