

WEDNESDAY, FEB. 27, 2019



Buncombe County Tourism Management and Investment Plan

What is the Buncombe County Tourism Management and Investment Plan?

This collaborative community initiative is designed to provide thoughtful, data-based recommendations to guide future investment through the BCTDA's Tourism Product Development Fund (TPDF).

Cornerstones of the planning process include significant community input and collaboration with public entities to find alignment between the TPDF's legislatively defined purpose, the priorities of residents and opportunities to manage tourism in a manner that sustains and enhances quality of life in Buncombe County.

It is anticipated that the Plan will be a 10-year strategic guide for the community and the tourism sector.

The initiative will begin in 2019 and conclude in early 2020.

What are the objectives of the Plan?

This effort is intended to build upon 18 years of rigorous application-based process have led to successful TPDF investment in community assets with a goal of becoming more proactive and strategic in how the TPDF is used in future years.

Specifically, the objectives of the Plan are to:

1. Work collaboratively with the community to develop a long-term strategic investment plan for public projects through the TPDF.
2. Coalesce municipal and other partners around the strategic plan that outlines a long-range vision for implementing capital projects.
3. Preserve and protect community character and the destination experience.
4. Enhance Buncombe County through new community projects (within the scope of the TPDF fund) that contribute to quality of place for residents, workers and visitors.
5. Continue efforts already in place to attract overnight visitors through the development and enhancement of destination assets.
6. Explore opportunities for financing and developing longer-term investments of significant impact.
7. Support high quality design to enhance and preserve with the community in mind.

8. Sustain the economic vitality of tourism in Buncombe County that is critical to the growth and financial health of local business and 27,000 jobs in the community.

What are the opportunities for Buncombe County residents to contribute to the process?

A public forum will take place during spring 2019. Additionally, an online survey will be distributed and made available to county residents in the early phases of the project to help inform the process.

A Community Leadership Council will also be established to represent a wide range of organizations and areas of expertise.

What geographic area will this project study?

While Asheville is the center of much of the county's tourism activity, the BCTDA is legislatively charged with promoting the entire county as a destination and supporting the development of new drivers of overnight visitation throughout.

Throughout its history, TPDF funds have been allocated to capital projects located in several parts of Buncombe County, and this study will review potential capital projects across the county. Funding decisions will be based upon the criteria to produce the overall most beneficial results.

Will any local resident taxpayer dollars be used for this study?

No. This study is being funded entirely by the Buncombe County Tourism Development Authority (BCTDA), using occupancy tax revenue generated by all overnight lodging guests in Buncombe County. The allocated funding comes from the BCTDA's Tourism Product Development Fund budget.

Who will supervise the project?

This project will be overseen by a steering committee consisting of past TPDF committee and BCTDA board members. This group of community residents will be selected based upon their expertise in the tourism sector and their experience with TPDF policies and processes.

PGAV, a consulting firm selected by the BCTDA, will lead the project and provide outside technical expertise.

What is PGAV?

PGAV knowledge of public engagement, urban planning, and development finance helps solve problems for cities across the country, and the firm's tourism and destination expertise will be a significant asset for this project. The firm has worked on projects throughout the U.S. as well as in Asia, the Middle East, and Europe.

PGAV's experience includes many types of projects, such as cities, neighborhoods, theme parks, zoos, aquariums, and museums. PGAV has a diverse workforce of 125

creatives and professionals. More about PGAV can be found at its website:
<http://www.pgav.com/>.

What role will the Explore Asheville Convention and Visitors Bureau (CVB) have in the project?

Explore Asheville carries out the work plan of the BCTDA to provide destination sales and marketing as well as certain management services. Explore Asheville will help manage the project on behalf of the BCTDA and be the primary point of contact for PGAV.

What other organizations will be involved in the project?

The steering committee, community leadership council, PGAV, and Explore Asheville will work closely with staff at the City of Asheville, Buncombe County Government, and other public entities in the county. While the BCTDA is the lead entity on the project, the process is intended to be highly collaborative with these organizations and members of the community.

What happens at the conclusion of the project?

PGAV will present the findings of the study to help community leaders understand potential projects and develop phasing and prioritization.

A final plan will be sent to the TPDF committee for its review and approval before being sent to the BCTDA for final approval.

Will the criteria for the evaluation of projects funded by the TPDF change as a result of this study?

The criteria, previously approved by the BCTDA and aligned with the legislation that created the TPDF, will continue to guide investment decisions.

Project Impact

- Ratio of Room Nights Generated to Funding Requested
- Generator of New or Incremental Room Nights
- Association with an Identified Need Period
- Size of Market to be Served
- Scope of Impact Upon Lodging Market
- Ability to Serve as a Contributing Asset

Project Information

- Strength of the Sales and Marketing Plan
- Timeliness of the Project
- Uniqueness and Innovation of the Project

Financial Strength

- Financial Stability of the Requesting Organization
- Strength of Business Planning
- 1-to-1 Funding Match Exceeded

Destination Branding

- Strength of Brand Alignment

Please see pages 11-13 of the following document for a detailed look at that criteria:
https://www.ashevillecvb.com/wp-content/uploads/TPDF2018ProgramGuide_v031718.pdf.

Will the project affect the other uses of occupancy tax revenue?

No. By law, expenditures on tourism-related capital projects are limited to the 1.5 percent occupancy tax used to fund the TPDF. The other 4.5 percent must be invested in sales and marketing to promote Buncombe County as an overnight destination and support the thousands of small businesses dependent upon tourism.

TPDF Background

What is the Tourism Product Development Fund?

The Buncombe County TPDF was authorized by an act of the North Carolina Legislature and signed into law by the Governor of North Carolina in 2001. The act provided for a dedicated one percent occupancy tax to support the development of new capital projects that would generate new overnight visitation to Buncombe County.

In 2015, the Legislature approved an increase in the TPDF occupancy tax to 1.5 percent to generate additional funding for these projects. The 1.5 percent occupancy tax is in addition to the 4.5 percent occupancy tax paid by lodging guests that is by law dedicated to out-of-market advertising and promotion of the Asheville area. All lodging guests also pay sales tax of 7 percent in addition to occupancy tax.

What other changes have impacted the TPDF process since it was created in 2001?

In 2015 the BCTDA adopted two new processes for use in consideration and awarding of funding for TPDF projects: the Major Works Pathway and the Strategic Priority List. Recognizing the complexity of significant capital projects (those costing \$5 million or more), the Major Works Pathway allows for consideration of those projects outside the annual application cycle used by the BCTDA since the inception of the TPDF.

The Strategic Priority List will enable the BCTDA to prioritize projects for funding in future revenue years. It does not, however, enable the BCTDA to bind funds beyond those dollars available to the TPDF in a single year. It is expected that both these tools will be utilized to facilitate projects ultimately determined by the study.

Who does the TPDF benefit?

The TPDF funds that have been invested by the BCTDA have been awarded to public projects that are equally appealing to and used by residents and visitors alike. The TPDF has been a win-win for the community and the tourism sector.

Can TPDF funds be used for any type of project?

TPDF funds can be awarded as a grant, pledge of debt service, or loan guaranty. The legislation establishing the TPDF states that the funds are to be used for building of

tourism capital projects: “bricks and mortar” expenses. The legislation states that to be a qualified project, the applicant must demonstrate that the project will generate new and incremental room nights in Buncombe County.

Where can I find a copy of the Buncombe County occupancy tax legislation that authorized the creation of the TPDF and usage of its funds?

The current legislation can be found here:

<https://www.ncleg.net/Sessions/2015/Bills/House/PDF/H347v5.pdf>.

Any changes to the legislation require approval of the North Carolina General Assembly and the Governor. Changes are also subject to the occupancy tax guidelines first adopted by the House of Representatives in 1997. The guidelines can be found here:

<https://www.ncleg.gov/documentsites/committees/House2015-24/HOUSE%20FINANCE%20SUBCOMMITTEE%20ON%20OCCUPANCY%20TAX/04-20-2015/Guidelines%20for%20Occupancy%20Tax%20Legislation.pdf>

How have TPDF funds been used to benefit the community?

Since the fund’s inception in 2001, a total of \$44 million has been awarded to 39 projects that are great assets to the community and which generate overnight visitation. \$22 million has been awarded to City of Asheville-owned or -affiliated projects, including improvements to Pack Square Park, improvements to the U.S. Cellular Center, and Riverfront Redevelopment.

More than \$6 million has been awarded to Buncombe County for recreation projects such as the Enka baseball fields, which are utilized by multiple community organizations, and \$2.25 million to the Town of Woodfin for recreation projects.

Buncombe County arts organizations and educational institutions have also received grants. A complete list of funded projects can be found here:

<https://www.ashevillecvb.com/projects-funded/>.

Can the BCTDA borrow money or implement projects on its own?

North Carolina law forbids tourism development authorities from borrowing money, and the BCTDA has no intention of implementing or operating projects on its own. Its role is to be a supporter and facilitator of projects that benefit both the tourism sector and the community.

Where can I find more information?

Additional information can be found on the Explore Asheville CVB web site:

<https://www.ashevillecvb.com/>.