

THE CVB IS...

- The liaison between potential visitors and the local travel industry
- The CVB is an information clearinghouse, promotional agency, and catalyst for economic, product and social development
- Another term is, "*Destination Marketing Organization*" for Moore County
- We are the 11th highest tourism economy in N.C.
- Revenue/budget generated from the county occupancy tax (3%). We market to generate overnight stays

CVB MISSION STATEMENT

- The CVB will devise strategies to enhance the entire County's tourism brand value and product to accommodate the next generation of visitors, thereby stimulating the local economy and enhancing the quality of life for residents and visitors alike.

THE CVB CURRENT STAFF 2021

- Phil Werz – President & CEO
- Beverly Stewart – Executive VP
- Lisa Long – Creative Director
- Karin Toomey – Digital Marketing Mgr.
- Dan Dreyer – Destination Storyteller
- Donna Garner – Staff Accountant



CVB BOARD OF DIRECTORS 2020-21

- CVB Officers

- Tom Beddow, Chairman, CCNC
President
- Tom Pashley, Vice-Chairman;
President, Pinehurst Resort
- Kelly Miller, Secretary/Treasurer;
President, Pine Needles/Mid Pines

- Remaining CVB BOD

- Bonnie McPeake, Owner, McPeake Hotels
- Matt Hausser, GM, Talamore Resort
- Andy Hofmann, Pine Crest Inn
- Linda Parsons, Pres, Moore Co. COC
- George Little, Local Businessman
- Frank Quis, Chairman, Moore Co
Commissioners
- Ex-Officio: Wayne Vest, County Manager; Pat
Corso, Executive Director, Partners in Progress
- Caroline Xoing, County Finance Officer

NORTH CAROLINA VISITOR SPEND BY COUNTY

Occ. Tax Rate	County	2019 Visitor Expenditures	Visitor \$ Rank	Population	Pop. Rank	Tax Savings Per Resident**	Tax Sav. Rank
6%	Mecklenburg	5,998 M	1	1,074,475	1	\$384	14
6%	Wake	2,563	2	1,069,079	2	\$174	37
6%*	Guilford	1,592	3	527,868	3	\$217	27
6%	Buncombe	1,294	4	256,886	7	\$405	13
6%	Dare	1,267	5	36,222	66	\$3,123	1
6%	Forsyth	1,002	6	375,195	4	\$202	28
6%	Durham	913	7	311,848	6	\$249	21
6%*	New Hanover	658	8	227,938	9	\$246	22
6%*	Brunswick	633	9	131,815	24	\$474	8
6%	Cumberland	601	10	332,861	5	\$134	45
3%	Moore	563	11	100,880	28	\$445	10
6%	Watauga	285	12	54,925	51	\$435	11

Source:
partners.visitnc.com/economic-impact-studies

*Effective Rate

**Combined state and local taxes paid by visitors divided by local population

MOORE COUNTY OCCUPANCY TAX COLLECTIONS

	2020-21	2019-20	2018-19	2017-18
JULY	\$150,989	\$156,375	\$149,634	\$142,235
AUG	\$151,873	\$188,537	\$145,625	\$134,755
SEPT	\$173,463	\$185,535	\$163,425	\$166,132
OCT	\$233,743	\$243,148	\$224,454	\$180,761
NOV	\$143,378	\$154,081	\$147,628	\$132,186
DEC	\$68,834	\$93,656	\$76,051	\$69,032
JAN	\$88,934	\$86,926	\$85,222	\$61,351
FEB	\$95,000	\$106,486	\$95,756	\$79,258
MAR	\$122,000	\$76,531	\$162,786	\$138,415
APR	\$150,000	\$17,655	\$220,671	\$211,590
MAY	\$145,000	\$53,264	\$240,607	\$184,746
JUNE	\$135,000	\$118,516	\$173,846	\$144,915
TOTALS	\$1,658,214	\$1,480,710	\$1,885,704	\$1,645,378

*Budget

OCCUPANCY TAX GUIDELINES

At least...

$$\frac{2}{3}$$

Promote Travel & Tourism

- Traditional Marketing & Advertising
- More \$ expands our impact and opportunities
- Current efforts are creative & effective

...the remainder

$$\frac{1}{3}$$

Tourism-Related Expenses

- Increase use of lodging facilities
- Debated over the past several years

GUIDELINES FOR OCCUPANCY TAX LEGISLATION

Since 1983, the General Assembly has authorized many units of local government to levy a room occupancy tax. In several instances, the General Assembly has authorized both a county and a city within that county to impose an occupancy tax. The rate of tax, the use of the tax proceeds, the administration of the tax, and the body with the authority to determine how the tax proceeds will be spent vary considerably.

Over the past several years, there has been a greater effort to make the occupancy taxes uniform. In 1997, the General Assembly enacted uniform municipal and county administrative provisions for occupancy tax legislation – G.S. 153A-155 and G.S. 160A-215. These provisions provide uniformity in the areas of levy, administration, collection, repeal, and penalties.

The North Carolina Travel and Tourism Coalition (NCTTC) has a policy statement for legislation authorizing local occupancy taxes. Many of the principles contained in its statement are similar to the ones established by the House Finance Committee in 1993. Subsequently, the House Finance Committee established the Occupancy Tax Subcommittee, which regularly reviews occupancy tax legislation and looks for the inclusion of the following uniform provisions in the bills it considers:

- ◆ **Rate** – The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.
- ◆ **Use** – At least two-thirds of the proceeds must be used to promote travel and tourism and the remainder must be used for tourism-related expenditures, which may include beach nourishment. However, local governments in coastal counties may allocate up to 50% of occupancy tax proceeds for beach nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for beach nourishment is limited by either a statutory cap or sunset provision.¹
- ◆ **Definitions** The terms "net proceeds", "promote travel and tourism", "tourism-related expenditures", and "beach nourishment" are defined terms:
 - **Net proceeds** – Gross proceeds less the costs to the city/county of administering and collecting the tax, as determined by the finance officer, not to exceed 3% of the first \$500,000 of gross proceeds collected each year and 1% of the remaining gross receipts collected each year.
 - **Promote travel and tourism** – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in these activities.
 - **Tourism-related expenditures** – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city/county by

¹In May 2013, the North Carolina Travel and Tourism Coalition passed a resolution supporting a modification to the Occupancy Tax Guidelines to allow local governments in coastal counties to allocate up to 50% of occupancy tax proceeds for Beach Nourishment, so long as all remaining proceeds are used for tourism promotion and provided that the use of occupancy tax proceeds for Beach Nourishment is limited by either a statutory cap or sunset provision.

attracting tourists or business travelers to the city/county. The term includes tourism-related capital expenditures.

- **Beach Nourishment**² – The placement of sand, from other sand sources, on a beach or dune by mechanical means and other associated activities that are in conformity with the North Carolina Coastal Management Program along the North Carolina shorelines and connecting inlets for the purpose of widening the beach to benefit public recreational use and mitigating damage and erosion from storms to inland property. The term includes expenditures for the following:
 - a. Costs directly associated with qualifying for projects either contracted through the U.S. Army Corps of Engineers or otherwise permitted by all appropriate federal and State agencies;
 - b. The nonfederal share of the cost required to construct these projects;
 - c. The costs associated with providing enhanced public beach access; and
 - d. The costs of associated nonhardening activities such as the planting of vegetation, the building of dunes, and the placement of sand fences.
- ◆ **Administration** – The net revenues must be administered by a local tourism promotion agency, typically referred to as a "Tourism Development Authority," that has the authority to determine how the tax proceeds will be used, is created by a local ordinance, and at least ½ of the members must be currently active in the promotion of travel and tourism in the taxing district and 1/3 of the members must be affiliated with organizations that collect the tax.³
- ◆ **Costs of Collection** – The taxing authority may retain from the revenues its actual costs of collection, not to exceed 3% of the first \$500,000 collected each year plus 1% of the remainder collected each year.
- ◆ **Conformity with Other Local Occupancy Taxes** – In 2008, the NCTTC formally revised its policy position with regard to occupancy taxes to include a statement that if a city seeks to impose a new occupancy tax or increase its existing tax on lodging facilities in a county that also has an existing occupancy tax, the county occupancy tax must conform to the guidelines in order for the Coalition to support the proposed municipal tax. During the 2009 Regular Session, the House Finance Chairs⁴ considered the revised policy statement of the NCTTC but declined to amend the House Finance Committee's Guidelines for Occupancy Tax accordingly.

Research Division
NC General Assembly
Revised 9/3/13

²During the 2001 Regular Session, the Occupancy Tax Subcommittee of the House Finance Committee considered several bills authorizing the use occupancy tax proceeds for beach nourishment. Although "beach nourishment" was not among the uses contained in the uniform guidelines, the subcommittee nevertheless concluded that beach nourishment was an acceptable expansion of the occupancy tax use provisions. In doing so, the subcommittee drafted this uniform definition of beach nourishment for use in occupancy tax legislation.

³In March 2005, the House Finance chairs decided to change the percentage of members that must be currently active in the promotion of travel and tourism from ¾ to ½. The House Finance chairs in 2005-06 were: Representatives Alexander, Gibson, Howard, Luebke, McComas, and Wainwright.

⁴During the 2009-2010 Session, the House Finance chairs were: Representatives Luebke, Wainwright, Weiss, and Gibson.

HOW IS IT SPENT?

MARKETING MIX 2019-2020

A. Leisure/Consumer:

43%

Many of the services and marketing programs that a CVB provides are included in this category, as well as a media specific schedule. They include production/printing of the Official Destination Guide, the Essentials Guide (calendars of events, restaurants) as well as the cost of promotional items (golf tees, koozies, chap stick, sunglasses, sharpies, ball markers), and the costs to promote the leisure non-golf market - equestrian, biking, festivals, cultural tourism, research, and agritourism, sightseeing, event promotion, website development and promotion, photography, social media, and related fulfillment costs.

B. Golf

32%

Includes all marketing expenses related to the development of the general consumer golf market. Includes golf advertising, digital marketing, social media (organic and paid), brochure and ad development/printing, public relations, photography, research, golf event promotions and all fulfillment costs - phone, postage, production, etc. This also includes the commitment to Golf Channel for the second (final) year of our contract.

C. Conventions/Meetings/Weddings

22%

Also referred to as "group business", these expenses are to develop conventions, meetings, direct sales brochures, advertising development and placement, trade shows, website development, social media, and related fulfillment costs. The personnel costs directly related to developing these markets are also included in these marketing/advertising expenses.

Remaining percentage 3% includes Google search, retargeting and content activation costs.

OCCUPANCY TAX INCREASE CONSIDERATIONS

- Return to pre-pandemic levels of market & advertising
- Management effectiveness in driving results
- Desire to promote more aspects of the destination
- Limited concern of demand decrease due to increased tax rate (other tourism counties are already at 6%)
- Opportunity to consider Destination Enhancement Fund

WE'VE REACHED HOTELIER CONSENSUS

Our board (2020), consists of 5 hoteliers representing:

- Pine Crest Inn**
- Hilton Garden Inn + Hampton Inn + Towne Place Suites**
- Residence Inn**
- Pine Needles & Mid Pines**
- Pinehurst Resort**

OUR RECOMMENDATION

- Increase occupancy tax from 3% to 6% effective 7/1/21
- Results in additional \$1.8M annually to promote and enhance Moore County tourism
- Restore CVB marketing budget to pre-pandemic levels

OUR RECOMMENDATION

3 % Increase = \$1.8M

At least... **1 % (\$600,000)**

Promote Travel & Tourism

- Additional marketing for Moore Co. attractions (Pottery, Arts, Festivals, Music, Food, Beer)

...the remainder **2% (\$1.2M)**

Tourism-Related Expenses

- Municipal Event Grant Program
- Destination Enhancement Fund

MUNICIPAL EVENT GRANT PROGRAM - CONCEPT

- ¼ of 1% (approx. \$150,000) set aside in Municipal Event Grand Fund
- Create grant process providing towns with funds to enhance local events with out-of-town visitor appeal
- Annual awards with renewal based on performance criteria

DESTINATION ENHANCEMENT FUND

- Designed as an incentive for significant tourism product that drives overnight visitation
- Provides up to 50% matching grant for major projects
- For-profit entities not eligible to receive funding
 - Government, Not-for-Profit & Public/Private Partnership eligible
- County-wide DEF Committee to be established for review and vetting of applications for CVB Board approval
- Projects to be assessed on their ability to generate new overnight visitation as well as impact on the overall county economy

DESTINATION ENHANCEMENT FUND – POTENTIAL PROJECTS

- Moore County Sports Complex
- Aberdeen Sports Complex
- Tufts Archives
- Aberdeen Carolina & Western Railroad
Private Train Access & Parking
- So. Pines Reservoir Park Expansion

