

Information Item

Date: February 11, 2019

To: The City Manager

From: Ben Rowe, Assistant City Manager

Subject:

Information about Travel and Tourism Promotion Strategies

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Travel and Tourism

Strategic Plan Action Item: Yes

Key Work Item: Yes



The adopted 2017-2021 Strategic Plan includes a strategic objective to “promote travel and tourism” as part of the Strategic Focus Area of Economic Vitality and Diversity. To further that objective, the Strategic Plan establishes the following strategy and action items:

Strategy 7.1: Develop travel and tourism promotion strategies.

Action Item 7.1.1: Work with Visit Winston-Salem to provide a report on current travel and tourism marketing and promotion strategies. Include a review of new strategies and programs that could enhance current marketing efforts.

Action Item 7.1.2: Review current City appropriations used for travel and tourism programs and compare to benchmarks from other cities.

Action Item 7.1.1: In the fall of last year, Visit Winston-Salem contracted with Gray Research Solutions to conduct a survey and interviews of visitors to Winston-Salem to gauge their perceptions and interests about the city. This information item includes an executive summary of the study, which collected and analyzed data from a digital survey and interviews of people who have visited Winston-Salem and Forsyth County in recent years. The consultant presented the data and findings to the Forsyth County Tourism Development Authority (TDA) Board of Directors in January, and the TDA plans to review the information in the coming weeks to identify ways to enhance Visit Winston-Salem’s marketing and promotion strategies. Based on the responses to the survey and interviews, the consultant noted the following overall insights:

- Visitor activities and perceptions are consistent with previous survey results.
- Downtown is increasingly being seen as a hip and historic location.
- The trip planning window has increased to more than 30-60 days.
- Overall in terms of a leisure, visitors define Winston-Salem as a “getaway” vs.

“vacation” and parents visiting a child in college/university was prevalent.

- Internet/Websites are the “go-to” sources for visitors to plan their leisure trip.
- Visitors don’t always know what there is to see and do, even if they think they do.

Action Item 7.1.2

The City’s occupancy tax fund accounts for the City’s approximate one-sixth share of Forsyth County’s 6% occupancy tax rate on the rental of hotel/motel accommodations. The following table provides the detailed FY 18-19 budget for the fund.

Winston-Salem Occupancy Tax Fund	
Expenditures by Type	Adopted FY 18-19
Benton Convention Center Operating Support	\$300,000
Contributions to Community Agencies ¹	
- Old Salem	171,520
- National Black Theatre Festival	100,000
- Piedmont Triad Film Commission	34,640
Co-promotion for Winston-Salem Fairgrounds Events	75,000
Co-promotion for LJVM Coliseum Events ²	75,000
Fairgrounds Fridays	55,000
Contribution to Public Art Fund	55,000
N.C. City-County Management Association Winter Seminar	15,000
Winston-Salem Classic	12,500
Arts, Culture, and Entertainment Memorial Walk of Fame	10,000
Contingency	45,000
Total Expenditures by Type	\$948,660
Resources by Type	
Occupancy Tax	\$801,000
Other Revenues	0
Investment Income	0
Fund Balance Appropriation	147,660
Total Resources by Type	\$948,660

¹ Contributions to community agencies are adjusted based on the projected growth in occupancy tax receipts.

² Per the restrictive covenants for the sale of LJVM Coliseum, the City sets aside \$75,000 each year to provide co-promotion funds for events at the Coliseum, if requested.

The following table provides information about how the other large cities in North Carolina use their share of county occupancy tax revenues. The City of Greensboro levies a separate occupancy tax on hotel and motel rooms within the city limits.

Use of Occupancy Tax Revenues by Other Large N.C. Cities

City	Occupancy Tax Rate	Use of Proceeds
Mecklenburg County/Charlotte	8%	<ul style="list-style-type: none"> - First 3% to support City of Charlotte Convention Center - Additional 2% for NASCAR Hall of Fame Museum
Durham County/Durham	6%	<ul style="list-style-type: none"> - First 3% split between City and County for any public purpose - City's share of 1% from remaining 3% to support the Durham Performing Arts Center (DPAC)
Greensboro	3% (City Rate)	<ul style="list-style-type: none"> - 80% - City of Greensboro to pay debt service on improvements to the Coliseum Complex - 20% - Greensboro Convention and Visitors Bureau
Wake County/Raleigh	6%	<ul style="list-style-type: none"> - City's share of proceeds has supported construction and on-going operation of the Raleigh Convention Center.
Forsyth County/Winston-Salem	6%	<ul style="list-style-type: none"> - City receives one-sixth share of proceeds for uses noted above.