

MAKING WAVES

At this month's round table, our experts discussed the role of tourism in the state's economy and the challenge of recovering from two hurricanes.



From left to right:

Henri Fourrier, president and CEO, *Greensboro Convention and Visitors Bureau*

Bucky Oliver, owner, *Beaufort Hospitality*

Catherine Oliva, director of marketing, *N.C. Department of Natural and Cultural Resources*

Julius Wilson, director of hospitality, *Murphy Family Ventures, Wallace*

Phil Werz, president and CEO, *Pinehurst, Southern Pines, Aberdeen Area Convention & Visitors Bureau*

Wit Tuttell, executive director, *Visit NC*

The round table was sponsored by the Greensboro Convention and Visitors Bureau; River Landing; Pinehurst, Southern Pines, Aberdeen Area Convention & Visitors Bureau; and Winston-Salem Convention and Visitors Bureau. The transcript was edited for brevity and clarity.

Development
North Carolina



TRAVEL AND TOURISM ROUND TABLE

HOW IS NORTH CAROLINA'S TOURISM INDUSTRY PERFORMING, AND HOW HAS IT BEEN AFFECTED BY THE HURRICANES?

TUTTELL Last year was great. Visitors to North Carolina spent \$24 billion in 2017. That was up 4% over 2016, our ninth straight year of growth in visitor spending.

People actually spent more, but we didn't get more visitors. That's our big challenge, increasing the number of visitors. We're also seeing a real increase in the amount of product. We have talked about new hotels coming online. We think it's really important that we keep the demand up to meet those.

This year, through eight months, we were having another record year from what we can tell. Demand was up 2.3% over the record of last year. Room rates were up about 1.8%.

September changed what's going on in the state with the two hurricanes that passed through. It is really hard for us now to analyze how the state is doing because commercial lodging numbers are through the roof, and they're not being filled by visitors who are coming to spend money. They are being filled by evacuees and emergency workers. That's a big challenge. It's also a challenge for several of the tourism offices that generate funding based on occupancy taxes, because several of those taxes stipulate that if visitors stay for longer than three months, they don't pay the tax.

The perception that the state took a big hit is also a challenge. We believe it's cost us about \$400,000 a day in lost business from people who have said they changed their plans and didn't come to North Carolina.

OLIVA The governor's office released data that the impact of Florence is

closer to \$17 billion versus the \$13 billion they had previously estimated. From a messaging standpoint, there was the perception that the whole state was impacted. We're seeing an impact even in Asheville. We're recovering in some locations, getting roads and parking lots and whatever rebuilt and strengthened. It takes a while to come back. Then the marketing work becomes twice as hard because you're getting over this little hump. That's what we're seeing.

WILSON We're at a disadvantage because we have 18,000 square feet of meeting space, but we only have 70 hotel rooms right now. Around us, the DoubleTree New Bern is closed until further notice due to Hurricane Florence, and the Blockade Runner in Wrightsville Beach is closed until spring for renovations following Florence. Because we have so much meeting space, we have been able to assume

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some of their business. But because of all of the construction workers that are staying with us, we have had to pass on meeting business that we'd like to take. Meetings have food and beverage and golf attached to them and other things that we would like to do. We can't do them, because we have got these crews that are working that have booked and paid. We can't just say, "Get out."

OLIVER In our case, we had one hell of a time getting workers who were doing construction. The workforce is being affected, too. It's impeded the ability to finish our new hotel.

HOW IMPORTANT IS TOURISM TO NORTH CAROLINA?

FOURRIER Whether it is food service, retail or whatnot, those additional visitors help increase the customer count to add to the bottom line in all of

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WIT TUTTELL
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TRAVEL AND TOURISM ROUND TABLE

our communities to bring additional revenue. More tax receipts help the government do what it is they're supposed to do for us — keep our street lights lit, pay the police and more things. There are people out there that say, 'Tourism doesn't affect me,' and 'It only affects the hotels and restaurants.' But when you get down to the bottom line of tax dollars, it is affecting everybody.

TUTTELL Direct spending in tourism brings \$1.9 billion to state and local taxes. There's also the halo effect. [A study showed] a 20% increase in the number of people who said North Carolina is a good place to start a business based on having seen a tourism ad. We're promoting quality of life. That's crucial for tourism. But it's also very important for business development.

WERZ That's why tourism is going to be so important to develop in our neck of the woods in Moore County because it will help fund the growth of the towns. When you look at Pinehurst, that really carries the market. The taxes create things like a huge amphitheater, a water park — things that the nontraditional golfer is going to come down for and be attracted to. Not just the leisure traveler, but the business traveler who comes to Pinehurst for a meeting and asks, 'What else is there to do in this destination?'

We're also seeing a golf cluster with businesses moving to the Pinehurst area. We have U.S. Kids Golf that just moved from Atlanta. They are celebrating their 20th anniversary next year. We're working to get people like Dustin Johnson, Jordan Spieth and other professional golfers that were impacted by U.S. Kids Golf to endorse that product. We have True Spec Golf, one of the best club-fitting experiences. It's state-of-the-art. They just moved their facility to Pine Needles. We also have Golf Pride that just moved [to the area].



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HENRI FOURRIER

Greensboro Convention and Visitors Bureau

We already have a huge, burgeoning pottery industry. And we're looking at agritourism in the northern part of the state. I think it's important to attract those types of visitors so we that can sustain ourselves.

In turn, the village of Pinehurst had charrettes recently to talk about what the village is going to look like in 10 to 15 years. Right now, you have a village that has a few restaurants and some shopping, but you also have real estate and banking.

OLIVER It's easy in North Carolina because we have 100 counties.

Carteret is one, so that's 1% of 100. And Carteret, through the efforts and promotions going on there, that is singly what drove us to make our investment in a hotel there. They are spending \$4 million to get people to Carteret County. If you look at the numbers in Carteret, expenditures, payroll, employment taxes and local taxes are each about 50% over the 1% number. It's math. That's the benefit that we have in that particular county. And we all go through the same math. That's why we're investing in that community.



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WHAT ARE YOU DOING TO BUILD THE FUTURE SUCCESS OF NORTH CAROLINA TOURISM?

WILSON We renamed ourselves Village at River Landing. We're on a long-term plan. We're building the Fairfield Inn. Three years from now, we think we're going to build a Hampton Inn. That will give us 275 rooms. We have two of the top 50 golf courses in the state right now. We have River Landing, which is one of the top 50 places to retire in the state. We have 18 miles of river. We're looking at building a ropes course and a team-building facility. We are looking at building a skeet-shooting range. We have the Mad Boar, which has been one of the top restaurants in the state for the last 15 years. We're building a new wedding site behind the Holiday Inn that has an AstroTurf field, so it's another place to get married. That will give us eight different venues where people can have meetings. What we're looking to do is be a destination.

FOURRIER One of the first tourism marketing books I read when I got started in this business stated that your destination is defined by its facilities. I'm not going after mountain climbing groups, because we have no mountains. But I have incredible meeting facilities in the Greensboro Coliseum Complex and the Sheraton at Four Seasons and Koury Convention Center. We have sporting complexes such as Bryan Park Golf, North Carolina A&T [State University] tracks and J. Spencer Love Tennis Center, just to name a few. We do a lot of amateur athletic events that are mostly youth.

TUTTELL Most people that don't understand tourism think, 'Oh, these guys are trying to get everybody to come.' None of them are. Budgets are limited. Everybody has to target and focus. That's what we are asking, who are you going after and how can we help you and group people together? Some coastal areas and some Pied-



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PHIL WERZ

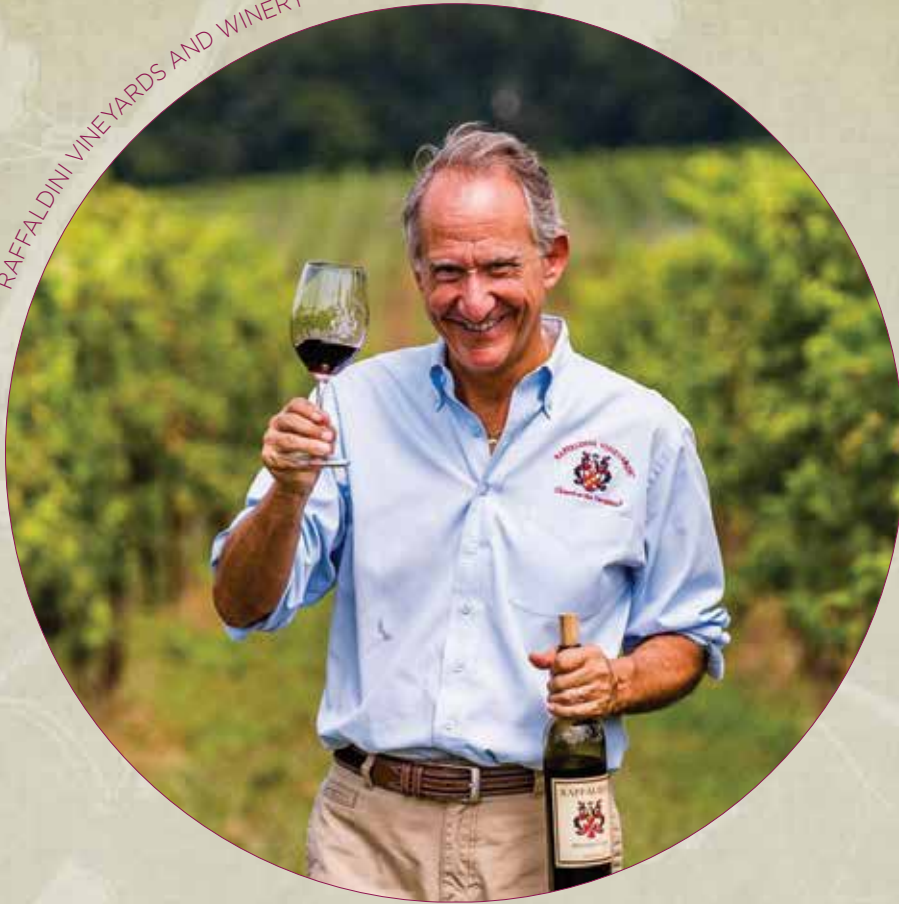
Pinehurst, Southern Pines, Aberdeen Area Convention & Visitors Bureau

mont areas are all going after Ohio. Okay — let's go up to do something in Ohio. And it's not just geographically, but also the mindset of the traveler, what kind of person are we targeting? The sports events person? Are you going after the golfer or cultural enthusiast, history buff, someone who wants to see a play or outdoor drama?

OLIVA North Carolina has so many wonderful cultural assets and it's growing, even in our rural communi-

ties. And I think it's something that we constantly have to leverage and pay very close attention to, to try to pull together resources. And I love Visit NC's itineraries. Those have been so effective in guiding people through our state and through experiences that could make an impact. I think we have to continue to do that so people don't have an outdated view of our state or what it means to come to North Carolina or certain pockets of our state. ■

RAFFALDINI VINEYARDS AND WINERY



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