

TOURISM ECONOMIC DEVELOPMENT REPORT

AUGUST 2007



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VisitRaleigh.com*

WAKE COUNTY CAPSULE

Some **11.22 million visitors** to Wake County poured almost **\$1.34 billion into the local economy in 2006**, or \$3.36 million per day, according to the Travel Industry Association of America's (TIA) annual study. Wake County ranks **No. 2 among North Carolina's 100 counties** in terms of direct domestic visitor spending, trailing only Mecklenburg County (\$3.1 billion). Rounding out the top five are Guilford County (\$1.0 billion), Dare County (\$702 million) and Buncombe County (\$646 million). The Wake County total represents a 9.7 percent increase from last year's figure of \$1.22 billion. Overall, the statewide increase for domestic visitors was 8.3 percent, up to \$15.4 billion. Visitor spending in the Capital City area generated more than \$103 million in state (\$65.18 million) and local (\$38.36 million) tax receipts last year, according to TIA. Equally important, those tax revenues generated \$366 in total savings per local household in state and local taxes.

Update ... For the first six months of 2007, Wake County **hotel occupancy tax collections grew 10.9 percent**. The increase for 2006/07 fiscal year (July 2006-June 2007) was 12.3 percent. For the first six months of 2007, Wake County **prepared food and beverage tax collections grew 6.2 percent**. The increase for 2006/07 fiscal year (July 2006-June 2007) was 9.4 percent.

GROUP SALES

The GRCVB sales team partnered with the RCC sales team to bring Mary Kay Cosmetics to the new Raleigh Convention Center, Raleigh Marriott City Center and Sheraton Raleigh Hotel for March 2010. This program will bring 2000 attendees and estimated economic impact of \$679,860.

SPORTS MARKETING

The 2008 NCAA Men's Basketball Tournament Local Organizing Committee held its first meeting at the RBC Center. The formation of the committee is a joint effort between N.C. State University, which is the event's official host institution, and the Greater Raleigh CVB. The 17-member committee will be responsible for ensuring that Greater Raleigh excels as an NCAA Tournament host site and that our area "rolls out the red carpet" for the student-athletes, fans, alumni, media and NCAA officials who will be in town for all the excitement of "March Madness." The first and second round games will be played March 21-23, 2008, at the RBC Center. Scott Dupree of the Greater Raleigh CVB and Shannon Yates of N.C. State are the committee co-chairs, while Alison Barnwell



of the Greater Raleigh Sports Council serves as vice-chair.

The Greater Raleigh CVB partnered with the Town of Cary in July to submit five tennis bids for upcoming tournaments. All events would be played at the Cary Tennis Park in the summer of either 2008 or 2009. Combined, the five bids represent more than 9,800 potential hotel room nights and almost \$2.9 million in potential economic impact for our area. Tori Collins handles the tennis market for the GRCVB and coordinated the bid efforts.

All indications are that the 2007 PONY Softball 14-U Fastpitch Nationals were a hit success. Approximately 120 teams from throughout the U.S. traveled to Cary in July for the national championship event, which was hosted this year by the Raleigh Jaycees. Other partners in the successful PONY effort were the Town of Cary, which provided the first-class venues and facilities, and the Greater Raleigh CVB. A post-report on total hotel room nights and direct visitor spending generated by PONY Softball will be available later this month.

INDIVIDUAL TRAVEL/DESTINATION MARKETING

A **summer weekends experience campaign** featured radio and newspaper flights scheduled in June/July in key in-state feeder markets. Besides an array of radio trade promotions and giveaways, there were DJ media trips to Raleigh that promoted weekend experiences in Fayetteville, Greenville, Greensboro and Wilmington as part of four-week testimonials on the various stations. The campaign was bolstered by an aggressive online cooperative media effort also focused on those markets and supported by 13 industry partners that reached 4.1 million consumers. To date, the summer campaign generated more than 45,000 total web site page views, while the weekends campaign tallied more than **300,000 total web site page views** since its spring launch.

ONLINE UPDATE

The Bureau relaunched its various web sites utilizing a central database powered by **New Media Gateway** and began working with **.Com Marketing** on an array of interactive marketing endeavors.

PUBLIC RELATIONS

Everyone's talking about Raleigh these days, thanks to extensive coverage in print and broadcast media. The GRCVB assisted with a site visit and story segment development for the **CBS Early Show**, which broadcast live from Fayetteville Street on Friday, July 13 as part of its six-stop Summer in the City Tour. Recent print coverage has included culinary-themed articles in *Southern Living*, *Food & Wine Magazine* and *Bon Appetit*, as well as general interest articles in American Airlines' in-flight magazine *American Way*, *Charlotte Weekly/Union County Weekly* and the *Toronto Star*. As part of the U.S. Women's Open in nearby Southern Pines, the Bureau hosted 14 top-flight international journalists.

COMMUNITY RELATIONS

On July 12, the Bureau hosted over 500 supporters of the visitor industry at its **20th annual luncheon**. The event featured a keynote speech by business consultant Patrick McGaughey of ActivatingPeople.com, and it honored N.C. Museum of Art director **Dr. Larry Wheeler** with the prestigious Thad Eure, Jr. Memorial Award. In addition, Summit Hospitality Group president and former CVB Board Chairman **Doyle Parrish** received the John B. Ross, Jr. Leadership Award. This award recognizes an executive management-level individual in the Wake County hospitality industry who displays exceptional leadership skills.

Also at the luncheon, the CVB lauded outstanding individuals in the Wake County local visitor industry for their outstanding service to visitors and residents alike. The Isaac Hunter Excellence in Service Awards went to the following honorees: **Nelson Amador**, a bellman at the Hilton North Raleigh; **Margaret Perry**, head cashier at the State Farmer's Market Restaurant; and **Irene Lejman**, a volunteer at the North Carolina Museum of Art. The Horizon Award, which recognizes exemplary attitude and professionalism of a mid-management level employee

who demonstrates the skills to be a future leader in the hospitality industry, was awarded to **Craig Spitzer**, director of hospitality operations and development at Empire Properties.

PRODUCT DEVELOPMENT

The 2007/08 North Carolina budget allocated \$627,281 in capital planning funds for a **new Capital Area Visitors Center** and parking deck in the downtown Raleigh complex. The Department of Administration will work with the Department of Cultural Resources regarding the design of the \$28 million complex.

VISITOR INDUSTRY STATISTICAL REPORT July 2007

HOTEL OCCUPANCY PRODUCTION

	Chg from June 06	Wake County	North Carolina	United States
June 2007 Occupancy %	-3.5%	71.0%	68.8%	71.5%
June 2007 ADR	+8.0%	\$82.25	\$83.46	\$103.24
June 2007 RevPAR	+4.3%	\$58.44	\$57.41	\$73.79
June 2007 Rooms Sold/% Change	-9,015	-3.2%	+3.8%	+2.8%
June 2007 Rooms Avail/% Change	+544	+0.2%	+1.0%	+1.4%
2007 YTD Occupancy %	-2.5%	66.1%	60.9%	63.2%
2007 YTD ADR	+11.7%	\$83.19	\$79.14	\$102.95
2007 YTD RevPAR	+8.9%	\$55.00	\$48.22	\$65.09
2007 YTD Rooms Sold/% Change	-23,468	-1.5%	+2.4%	+0.9%
2007 YTD Rooms Avail/% Change	+15,265	+1.0%	+0.8%	+1.1%

Source: Smith Travel Research, Inc.-Stats lag by one month; Republication or other re-use of this data without the express written permission of STR is strictly prohibited.

AVIATION PRODUCTION

	Month of June 2007	2007 YTD	YTD% Chg from 2006
Passenger Enplanements	476,806	2,417,987	+5.9%
Passenger Deplanements	461,340	2,416,519	+6.4%

Source: Raleigh-Durham International Airport-Stats lag by one month

GROUP SALES DEFINITE ROOM NIGHT PRODUCTION

	July 2007	YTD	07/08 YTD Goal	Fiscal YTD +/- Variance
Total Room Nights	3,090	5,730	15,833	-62%
Estimated Econ Impact	\$1,714,334	\$3,469,955	\$8,000,000	-58%
Number of Definite Bookings	7	19	51	-60%

FY runs June 07-May 08

GROUP SALES TENTATIVE ROOM NIGHT PRODUCTION

	July 2007	YTD	07/08 YTD Goal	Fiscal YTD +/- Variance
Total Room Nights	22,998	48,338	50,000	-1%
Estimated Econ Impact	\$9,409,208	\$32,465,090	\$22,500,000	+42%
Number of Tent. Leads	30	55	79	-10%

FY runs June 07-May 08

SPORTS MARKETING ASSISTED DEFINITE ROOM NIGHT PRODUCTION

	July 2007	YTD	07/08 YTD Goal	Fiscal YTD +/- Variance
Total Room Nights	2,416	2,416	7,333	-67%
Estimated Econ Impact	\$704,114	\$704,114	\$2,375,000	- 70%
Number of Definite Bookings	3	3	6	- 50%

**VISITOR INDUSTRY STATISTICAL REPORT
JULY 2007**

INDIVIDUAL TRAVEL/DESTINATION MARKETING PRODUCTION

	Month of July	FY 07/08 YTD	YTD% Chg from 06/07
Total Visitor Inquiries (incl. advertising)	191,140	191,140	-16.5%
VisitRaleigh.com User Sessions	188,804	188,804	-17.0%

VISITOR SERVICES PRODUCTION

	Month of July	FY 07/08 YTD	YTD% Chg from 06/07
Number of Groups Served	42	42	-43%

CONVENTION CENTER DEFINITE BOOKINGS

Group Name	Meeting Dates	Total Room Nights	Total Attendance	Est. Econ. Impact
Mary Kay Cosmetics	3/18-20/2010	360	2000	\$679,860
The Phoenix Society for Burn Survivors- The World Burn Congress	10/1-4/2008	1405	800	\$595,505
TOTAL (A)		1765	2800	\$1,275,365

Conventions by Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
HVS Projections		9	19	28	33	37	NA	NA	NA	NA	NA	
At RCC (Definite)	7	12	8	6	6	4	4	1	1	1	1	51
At RCC (Tentative)	4	23	17	6	5	1	-	-	-	-	-	55

GROUP SALES/SPORTS MARKETING ASSISTED DEFINITE BOOKINGS

Group Name	Meeting Dates	Total Room Nights	Total Attendance	Est. Econ. Impact
The Slam Jam Cheerleading Festival	1/25-27/08	110	500	\$57,790
2008 NCAA Women's College Cup	12/5-7/08	1017	16,000	\$317,168
2009 NCAA Men's College Cup	12/11-13/09	1289	16,000	\$329,156
TOTAL SPORTS (B)		2,416	32,500	\$704,114
NC Education Lottery	8/1-3/07	60	100	\$37,080
NCNAACP	8/31-9/2/07	100	300	\$81,600
Youth Advocacy Council	11/16-18/07	200	250	\$81,300
NC Association for Marriage & Family Therapy	2/28-3/1/08	137	275	\$125,247

BTA Public Relations	4/24-27/08	228	250	\$113,742
TOTAL GROUP (C)		1,325	1,175	\$438,969
GRAND TOTAL (A+B+C)		5,506	36,475	\$2,418,448

BIDS SUBMITTED FOR GROUP SALES/SPORTS MARKETING

Group Name	Dates	Total Room Nights	Attendance	Estimated Economic Impact
2008 USTA National Campus Champ.	4/15-20/08	1,400	1,200	\$499,975
2008 USTA Spring Southern Closed	5/03-05/08	768	768	\$183,552
2008 USTA Southern 18's Closed	6/14-21/08	2,880	960	\$688,320
2008 NC State Closed Juniors	7/25-31/08	2,395	1,400	\$758,905
2009 NC State Closed Juniors	July 2009	2,395	1,400	\$758,905
SPORTS TOTAL (5)		9,838	4,728	\$2,889,657

SITE VISITS

Group Name	Total Room Nights	Total Attendance
Center for Disease Control	175	450
American Trucking Association	1866	600
AWANA International	1225	300

TRADE SHOW & EVENTS

Event Name	Location (Dates)
Fraternal Executives Association	Orlando, FL (July 8-10)
Greater Raleigh Sports Council Quarterly Meeting	Raleigh (July 11)
2008 NCAA Basketball Local Organizing Committee Mtg.	Raleigh (July 17)
Assn Executives of NC- Charlotte Chapter	Charlotte (July 17)
Destination Marketing Association Int'l	Pittsburgh, PA (July 17-20)
Council of Engineering and Scientific Society Executives	Halifax, Nova Scotia (July 17-20)
MPI-Carolinas Chapter	Cary (July 19-20)
PONY Softball Opening Ceremonies	Cary (July 21)
Raleigh Wide Open 2-Client Event	Raleigh (July 21)
Meeting Professional International-WEC	Montreal, Canada (7/27-8/1)