

# **Business Recruitment**

**Information Compiled By  
Charlotte Chamber  
Regarding Economic Impact of HB 2**

# Economic Impact of HB2

## Impact on Economic Development Prospects

### Comparison of Inquiries 2015-2016

	2015	2016
January	32	16
February	19	24
March	51	25
April	19	10

### Comparison of Client Visits 2015-2016

	2015	2016
January	9	9
February	15	7
March	29	14
April	21	4

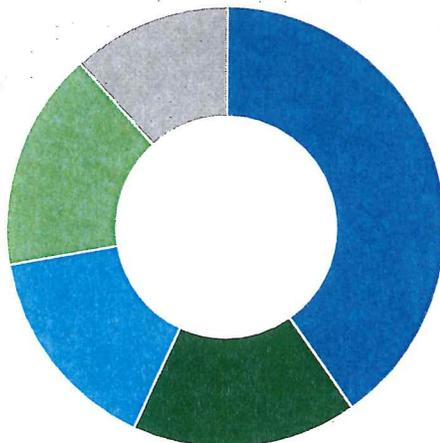
Between March 23rd to April 30th:

Inquiries are down **58%** from 2015

Client Visits are down **69%** from 2015

## Top 5 Industries of Opposing Companies

- Entertainment & Hospitality (25)
- Retail (27)
- Finance (26)
- Manufacturing (19)
- Tech (65)



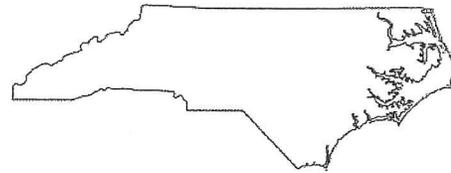
Total: at least 232 Companies

## Statewide Impact

**250** jobs lost as Deutsche Bank cancels expansion plans in Cary

Examples of companies throughout NC that have called for repeal or voiced opposition:

- Burlington (LabCorp)
- High Point (Lexington Home Brands)
- Raeford (Unilever)
- Durham (Braeburn Pharmaceuticals, Full Steam Brewery)



## Economic Impact with loss of PayPal jobs

PayPal's 400 announced jobs could have been expected to create 908 additional jobs in Mecklenburg County and 27 jobs in other NC counties

**\$285.5M** in total missed economic impact for Mecklenburg County

### Missed Tax Revenue Impacts:

**\$7.1M** in missed income and sales tax revenue for the State of NC and its other 99 counties

**\$3.7M** in missed sales and property tax revenue for Mecklenburg County

**\$202.7M** in wages and benefits

# **Hospitality & Tourism**

**Information Compiled By  
Charlotte Regional Visitors Authority  
Regarding Economic Impact of HB 2**

## CRVA Update for City Council – May 20, 2016

### Impacts on CRVA Business

Event Type	Number of Events	Total Room Nights	Projected Direct Spending
Canceled	7	1,635	\$226,857
Hesitant/Concerned Events	36	111,775	\$83,934,385
Lost Business (groups within the final selection phases)	13	13,878	\$2,312,936
<b>Total</b>	<b>56</b>	<b>127,288</b>	<b>\$86,474,178</b>

On April 15, the Charlotte Regional Visitors Authority (CRVA) released numbers reflecting updates on convention business based on the current political climate in North Carolina. Since the end of March, the CRVA has fielded concerns and questions regarding House Bill 2 from 50+ pieces of business. As the CRVA continues to closely monitor business concerns, there have been no statistically significant changes from the numbers released in mid-April. That means direct spending hasn't fluctuated more than 5 percent from the \$86.5 million that has been widely reported. It's also important to note that \$60 million of the \$86.5 million is direct spending that can be attributed to the 2017 NBA All-Star Game.

To date, most of the short-term effects are happening at the hotel level. The canceled bookings in Center City hotels all represent smaller conferences and meetings booked by corporate and association groups. The CRVA is closely examining the impacts for the Charlotte Convention Center to see how this may affect the long-term pace of future bookings as larger conventions book years in advance. As it's only been two months since the CRVA has begun fielding these concerns, it's still too early to understand how this may impact prospective leads generated for future years.

The team has worked hard to remain in constant communication with the meeting planners bringing conferences, meetings, conventions and sporting events to Charlotte as new developments have transpired with the legislation. Given where this issue stands with the federal courts, the CRVA remains steadfast in its commitment to protecting and advancing the visitor economy. The organization best serves the Charlotte community by demonstrating how welcoming and inclusive the city is and will be to all visitors, including meetings and conventions, via the CRVA's expertise in destination sales & marketing efforts as well as strong venue management.

**Note:** Since producing this chart, two convention center groups have made alternative plans. Over the weekend, one group has rescheduled to a future year and one has canceled.

### Always Welcome

In mid-April, the Always Welcome campaign launched. Always Welcome was designed to have a unifying theme that showcases the diversity and inclusiveness of the Charlotte community. It removes the current political atmosphere in North Carolina from the conversation and provides a way to express the city's can-do business climate, while also serving as a way residents can express how open and accepting Charlotte is.

The CRVA is not the only entity leading this campaign. Instead, it's being activated by a number of organizations across Charlotte ranging from economic development agencies to small and large business owners through promotional, earned media and grassroots efforts.

Always Welcome has been an important tool in addressing the concerns of meeting planners. It's a message that speaks directly to the values our community holds dear and the atmosphere their attendees will experience when they come to Charlotte. The CRVA has received feedback from half a dozen clients on the overall business impact list that had originally expressed concerns. They've shared

how the campaign has been a helpful asset with the hosting organization's boards and meeting attendees in showcasing why Charlotte continues to be a viable and valuable destination for their events.

In addition, awareness steadily continues to spread on a grassroots level with Always Welcome. Nearly 200 organizations and individuals have downloaded the Always Welcome toolkit with social media avatars, printable posters and other graphics that are available for general usage in communicating the open and inclusive message. Approximately 80 media outlets have covered the campaign nationally, regionally and locally, generating more than 131.7 million media impressions. These outlets have ranged from *The New York Times* to *The Washington Post* to the *Atlanta Journal-Constitution*. More than 100 individuals have engaged with #AlwaysWelcomeCLT on social media.

Awareness is also largely being generated through display opportunities in the Charlotte market via billboards, digital signage at the EpiCentre, an exterior wrap on the front of The Westin Charlotte and digital screens at Charlotte Douglas International Airport. In addition, more than 200 t-shirts and 150 storefront decals carrying the Always Welcome mark have been distributed.





## Indianapolis Case Study

As it pertains to the visitor economy, case studies have been an important resource in shaping the strategy of the CRVA's communication with clients as well as the Always Welcome campaign. While there was very different legislation in place last year in their city, Indianapolis faced similar impacts to their tourism industry due to the political climate at the time. Below is a brief snapshot of these impacts on their visitor economy for reference.

- Indianapolis posted new records for convention sales in 2015, securing an estimated \$1 billion in future economic impact for Indiana's capital city. Even despite the growth, Visit Indy President and CEO Leonard Hoops said the growth "was stunted by the fallout from last year's Religious Freedom Restoration Act controversy. By one industry measure, summer leisure hotel nights, tourism in Indianapolis grew by 1 percent. But nationally, summer tourism was up 2.9 percent. You could argue that we achieved only a third of what we could have done" – *IndyStar*
- From March, when the law was signed, to December, convention bookings were down 95,430 room nights versus the same period in 2014. Among out-of-state organizations, [the numbers were] down 182,437 room-nights — or 28 percent. Prior to March, bookings were up overall by 119,595 room-nights year-over-year. – *IndyStar*
- Following a year of work on the "Indy Welcomes All" campaign, an online poll of 339 meeting decision makers from all over the U.S. and 419 Chicago residents (the biggest supplier of Indy tourists), weighed in on Indy's post-religious freedom reputation. When meeting decision makers were asked if Indy in fact does "Welcome All," only 45 percent agreed. That number was even less, 43 percent for Chicago residents. The numbers were even lower when that same question applied to the state, with 28 percent of meeting decision makers agreeing with the statement that "Indiana Welcomes All," and 38 percent of Chicago residents agreeing with the same statement. – *FOX59*
- A Smith Travel Research study asked meeting decision makers about the Top 40 North American cities and how they make decisions on picking a host city. When asked about "likely deterrents in picking a city," the topic of "recent bad publicity" is now the #10 reason. This study also showed Indianapolis ranks #39 out of 40 for recent bad publicity, ahead of only St. Louis, which was affected by protests in nearby Ferguson over the shooting of a young black man by a white police officer. – *93.1FM WIBC*
- An estimated 1 billion negative social media posts and some 2,500 stories had been written or aired about the controversy in just 30 days. Convention bookings in Indy in the second quarter of last year dipped 43 percent compared with the same period in 2014. – *Atlanta Journal-Constitution*

## **Community Events**

**Information Compiled By  
Sarah Hazel, City Manager's Office  
Regarding Economic Impact of HB 2**

## **Economic Impact of HB2 on NC Events**

The below list of events have been cited by local and national media outlets as canceled in Charlotte and other North Carolina jurisdictions in direct response to House Bill 2.

### **Charlotte**

- Cirque du Soleil
- Boston
- Demi Lovato and Nick Jonas
- Maroon 5

### **Other NC Jurisdictions**

#### *Greensboro*

- Bruce Springsteen
- Cirque du Soleil
- Boston

#### *Raleigh*

- Cirque du Soleil
- Boston
- Demi Lovato and Nick Jonas
- Pearl Jam
- Maroon 5
- Itzhack Perlman
- Record Store Day – three day event

#### *Durham*

- Ani DiFranco

#### *Cary*

- Ringo Starr

#### *Asheville*

- Author Sherman Alexie
- Cheryl Wheeler

### **Sources**

*Raleigh Visitors Bureau: Event Cancellations Due to HB2 has Quadrupled Economic Losses*, News & Observer on April 18, 2016

*The HB2, Anti-LGBT Laws Effect: List of Concerts, Events Canceled In North Carolina and Mississippi*, International Business Times on April 20, 2016

*Demi Lovato, Nick Jonas Charlotte Show Canceled over HB2*, News & Observer on April 25, 2016

*In North Carolina, Musicians Face Off Against HB2*, NPR on May 6, 2016

*Greensboro Coliseum Complains of 'Disastrous Impact from House Bill 2*, News & Observer on May 16, 2016

*Entertainment Industry Uses Influence in HB2 Fight*, Citizen Times on May 16, 2016

*Violinist Itzhak Perlman Cancels North Carolina Performance Over HB2*, The Charlotte Observer on May 17, 2016

*Maroon 5 Cancels Show over HB2; Local Leaders to Announce Boycott*, WSOCTV on May 20, 2016