



Durham Destination Master Plan

NEXT STEPS

DURHAM CITY COUNCIL

March 21, 2024



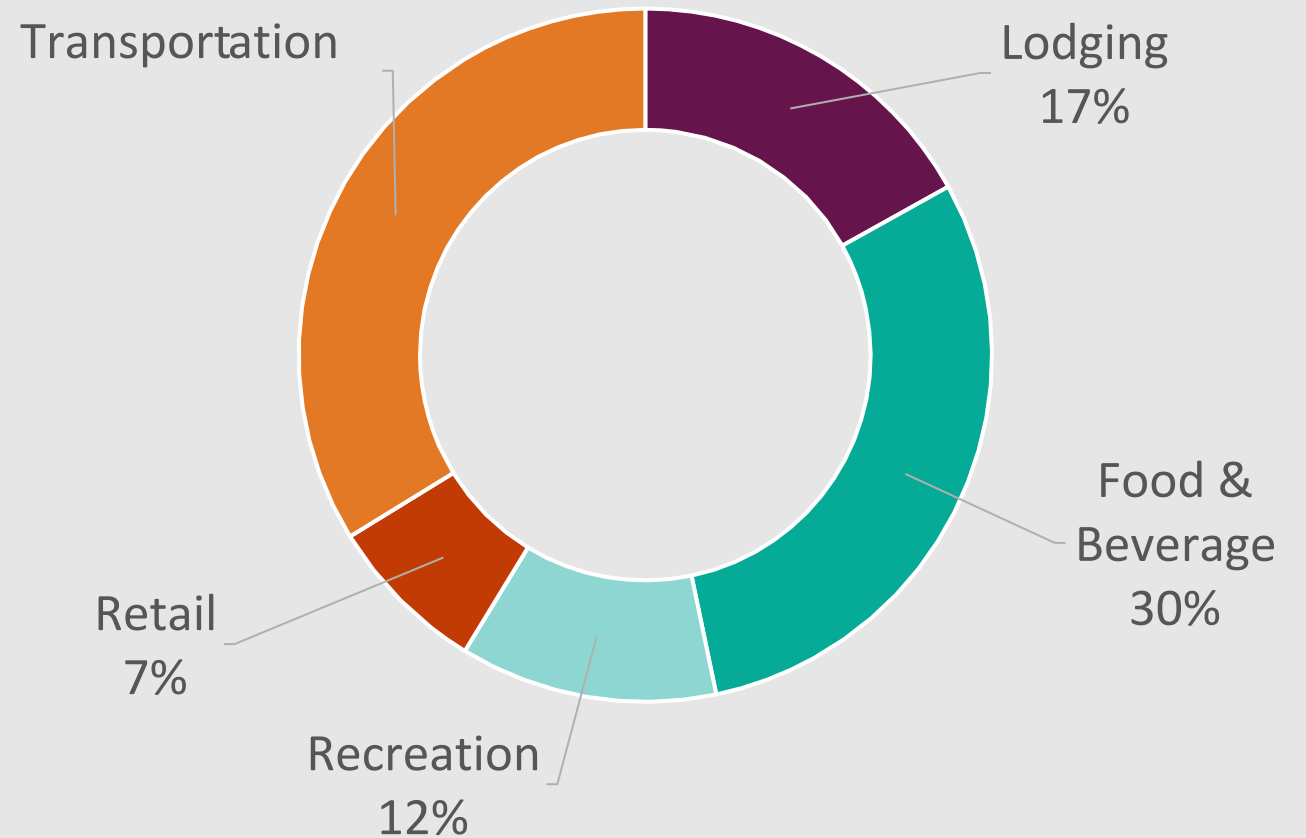
Tourism Snapshot 2022

- 12.5M visitors
- \$1B in annual visitor spending
- Supports 7000+ jobs in hospitality
- Generated \$72M in state and local taxes
- Offsets almost \$500 in annual taxes per Durham HH
- Draws: family, leisure, business, sports, meetings/conventions, medical

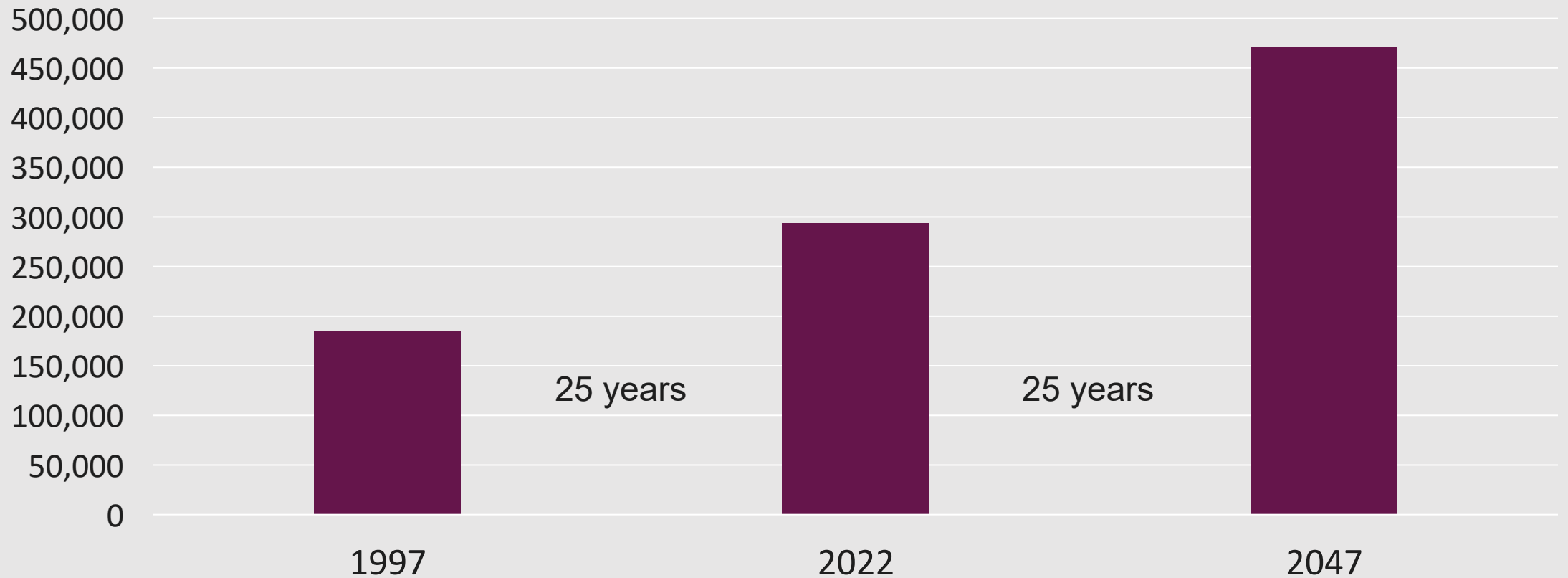
Tourism includes...

- Hotels
- Restaurants
- Retail Stores
- Professional, Collegiate, & Youth Sports
- Arts & Cultural Institutions
- Public Art
- Entertainment Venues
- Festivals and Events
- Trails, Greenways, & Outdoor Spaces
- Meeting and Event Venues

Visitor Spending by Category



Durham Population



Growth will happen. Will it:

- reflect Durham's character & values?
- include the public-facing amenities, facilities, infrastructure & attractions we'll need to grow quality of life?
- be socially, economically, & environmentally sustainable?

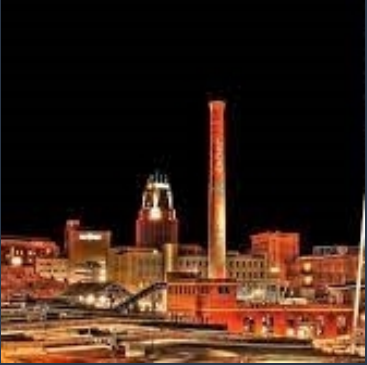


IDEAS → VISION → PARTNERSHIPS → FUNDING → PLANNING → EXECUTION

Vision

In 2044 Durham will be...

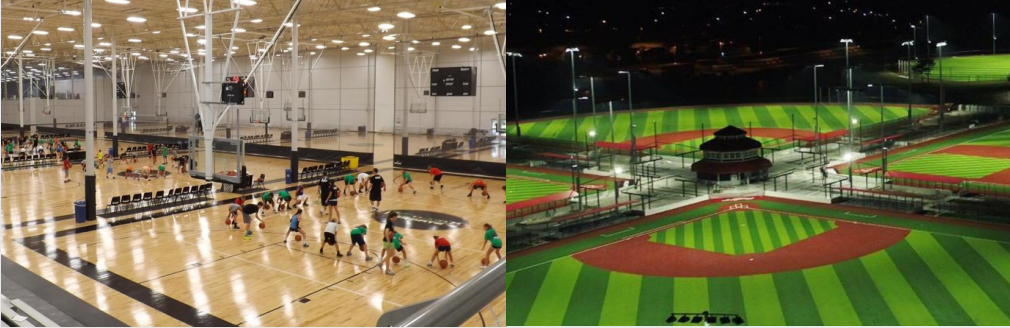
The most welcoming, inclusive, innovative and vibrant destination in the United States, while thoughtfully honoring its history and people.



Strategic Goals

1. Enhance Tourism Infrastructure
2. Develop Attractions, Events & Experiences
3. Support Purposeful Placemaking
4. Accelerate Community Alignment

Top Economic Drivers



Multi-purpose indoor/outdoor sports complex



Convention Center & adjacent hotel



Downtown
amphitheater

Greenway/freeway cap connecting
Hayti & downtown



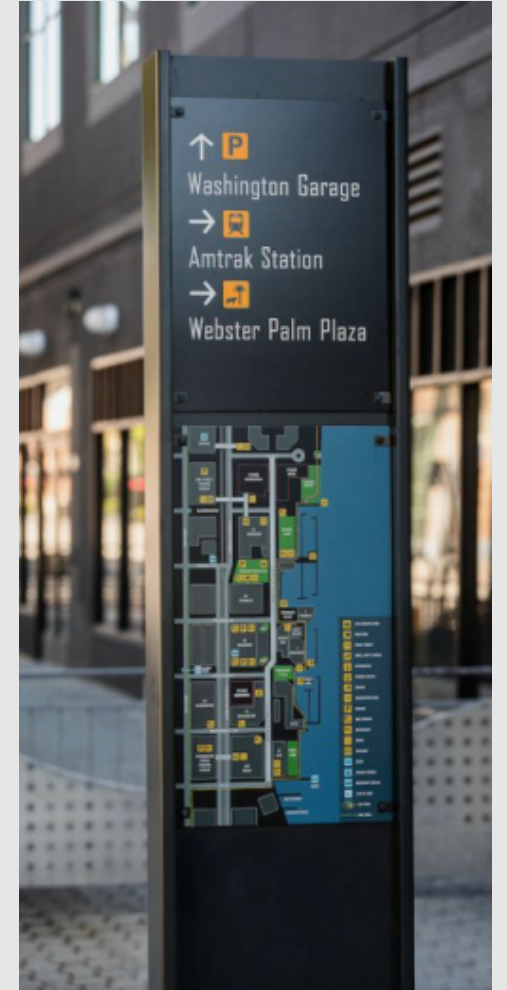
Special events business development,
strategy, & support

Additional Examples of Economic Drivers

- Additional flexible hosting facilities for 100-500 people
- District investment & development: Hayti, Hispanic, shopping, etc.
- Improving/upgrading athletic venues and expanding functionality: Durham County Stadium, DAP
- Immersive African American history and culture experiences

Community Vibrancy/Supporting Initiative Examples

- Wayfinding with community consistency
- Hospitality workforce development & destination training (certified ambassadors)
- Improved transportation options: better bus routes, connection shuttles, improved rail crossings
- Expand parks/pathway connectivity, including rails to trails
- Expand green spaces, incorporate in district planning
- Encourage additional retailers/shopping districts Attract outfitters, ebike rental providers near trails/parks
- Two-way loop to build downtown vibrancy
- Improve/expand indoor venues (eg Carolina Theatre, Hayti Center)
- Food & craft flavor trail development
- Activations: drone 7 lighting shows, pop-up concerts, mural/artist installations, daytime events
- Expand public art trail
- Advocate for workforce housing, transportation and childcare
- Support safety and crime initiatives



Destination Master Plan Alignment with City of Durham Strategic Plan

GOAL 1 Shared Economic Prosperity

- Increase visitor volume & spending, increasing revenue for small & local businesses
- Create new jobs with low barriers to entry
- Promote workforce development
- Develop cultural districts that improve resident experience and attract foot traffic
- Improve walkability and transportation connectivity

GOAL 2 Create a Safer Community Together

- Add youth activity & sports programming
- Improve wayfinding signage
- Conduct accessibility audit & pursue improvements

GOAL 3 Connected, Engaged and Inclusive Communities

- Develop cultural districts that create more cohesive communities
- Invite ongoing community engagement in project definition
- Improve quality of life & resident satisfaction

GOAL 4 Innovative and High Performing Organization

- Introduce innovative community partnership to pursue visionary projects
- Collaborate to streamline processes & create innovative project solutions
- Support worker recruitment & retention through improved quality of life

GOAL 5 Thriving and Vibrant Environment

- Protect & expand parks, trails & green space
- Design freeway cap to reconnect Hayti with downtown & create inviting outdoor area



What happens next?

Implementing the Vision SWOT

STRENGTHS

- (About to have) the first long-term community-wide vision established for Durham's development as a destination
- Broad community support for creating a thoughtful vision for Durham's future
- Many Durham organizations are investing now in long-term planning

WEAKNESSES

- Uncompetitive funding levels for destination asset development
- DMO needs authorization to engage in product development
- Lack of community process structure to evaluate, approve, and pursue project recommendations in an efficient way
- Durham has a short list of major philanthropic entities

THREATS

- Lack of follow-through on Destination Master Plan; Durham's attractiveness fades as high growth and lack of investment overtakes amenities
- Each proposed long-term project assessed as stand-alone budget request, in competition with pressing community needs

OPPORTUNITIES

- Build organizational and process infrastructure to support sustainable, nimble, community-led destination development work that prioritizes emerging ideas holistically
- Develop appropriate, permanent funding stream for investment in destination project planning
- Strengthen communications and collaboration across Durham

DESTINATION  N

DURHAM

A visionary community partnership for the sustainable advancement of Durham as the best place to live, work, and visit

Destination Durham Nonprofit: Benefits to the Community

Stewards resources and facilitates ongoing workstreams to create new venues, attractions, tourism infrastructure, and programs that:

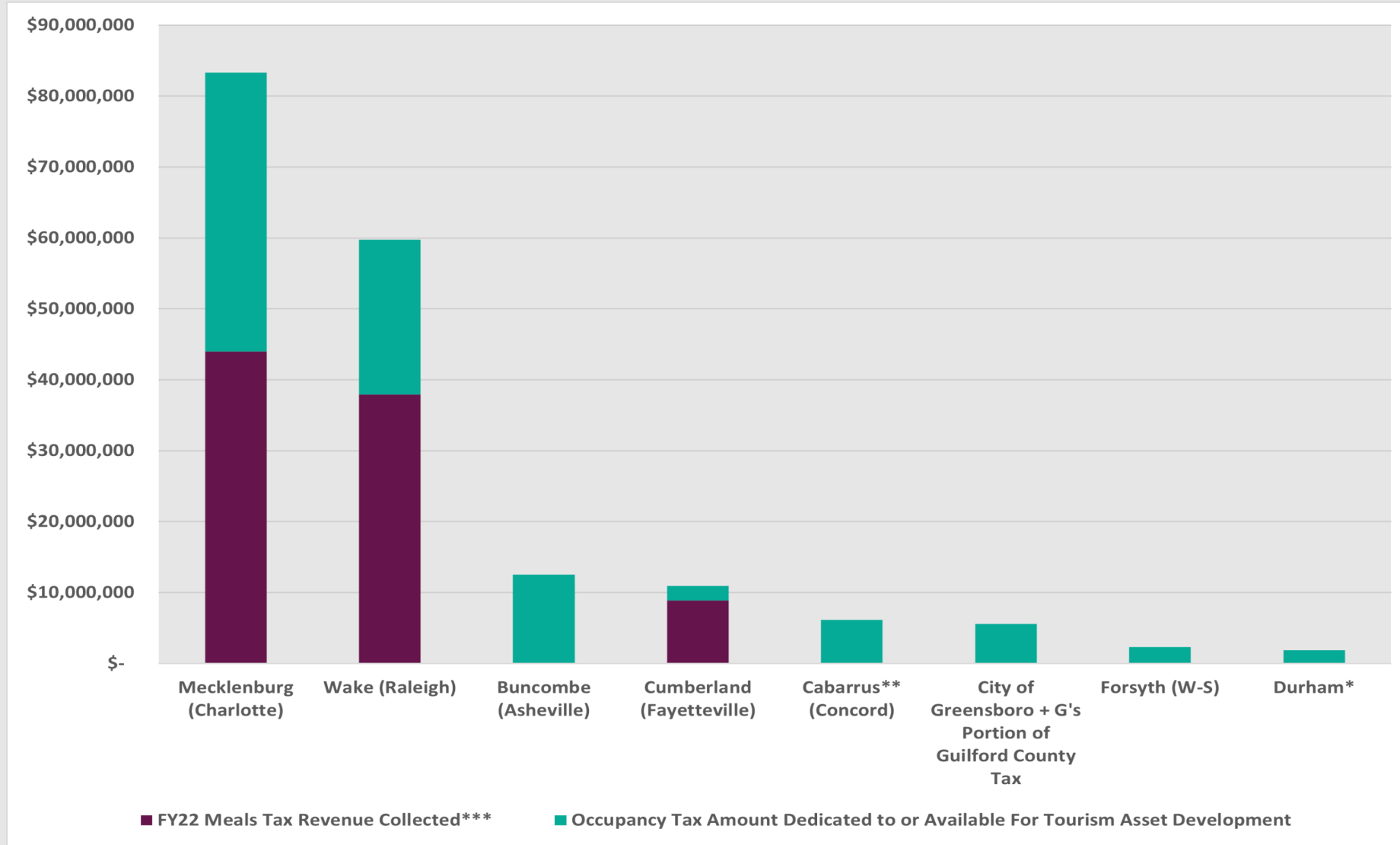
1. Add to Durham residents' quality of life
2. Drive economic impact in the community, supporting local businesses and creating new jobs
3. Grow tax revenue that helps cover the cost of government services
4. Provide continuity of leadership for goals and projects that will span multiple elected leader and staff administrations
5. Reduce some of the project management burden on local government staff
6. Streamline some of the burden on elected officials to assess and prioritize community investment needs
7. Offer a streamlined, professionally managed, tax-deductible opportunity for corporate and individual donors to invest in new community amenities
8. Provides new funding and project management mechanisms in support of community needs





Investing in Durham's Future

Hospitality Taxes Available for Tourism Asset Development



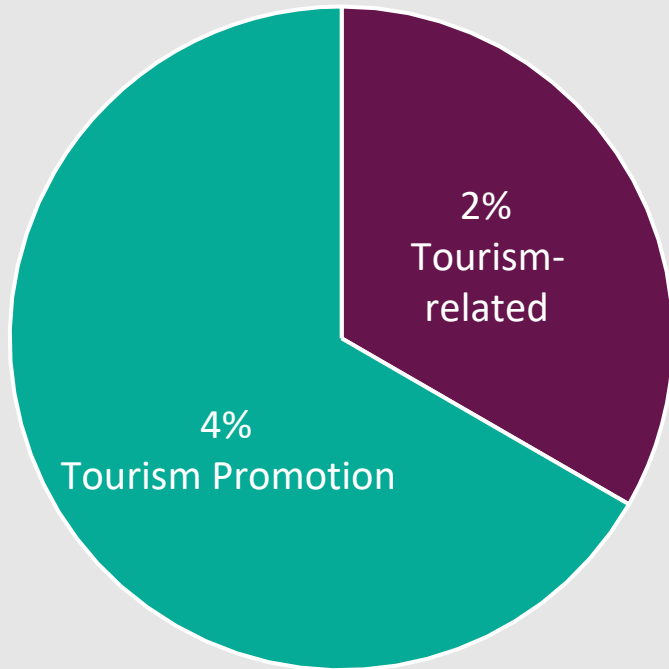
* \$1.9M is current amount obligated to DPAC debt service and NCMLS funding, not available for new initiatives
 ** By law Cabarrus can invest up to 100% of revenue in tourism asset development if it so chooses.
 *** All dedicated to or available for tourism asset development
 All amounts shown are gross before administrative costs are deducted.

Occupancy Tax Overview

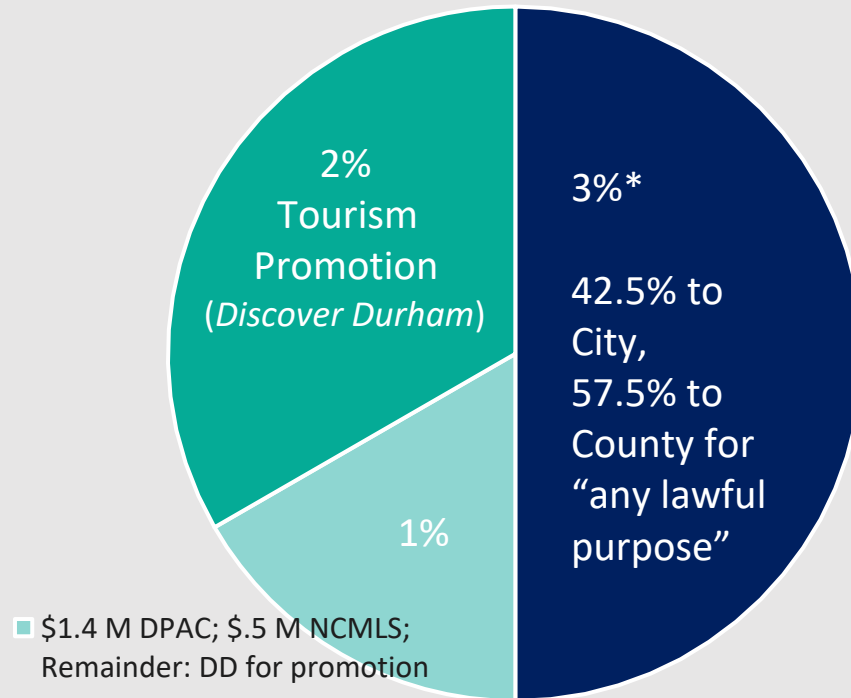
Maximum 6% (except Mecklenburg)

For FY23, 1 point of O.T. = \$2.53 M

1997 NC Uniform Occupancy Tax Guidelines

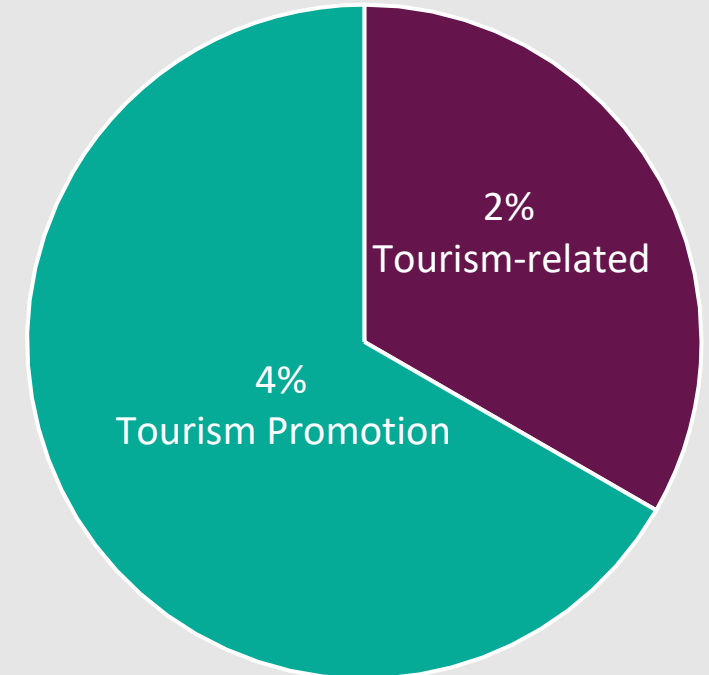


Durham Current Occupancy Tax



*City and County contribute to DSC operations; \$293K in FY23

Durham Proposed Occupancy Tax



Option 1: City and County absorb \$1.9 M in debt service and NCMLS maintenance
Option 2: County absorbs \$0.5 M for NCMLS, DD covers \$1.4 M for DPAC from tourism-related funds until debt extinguished



Current Durham Occupancy Tax Distribution

Organization	FY 2023	FY 2024	FY 2025	FY 2026
Tourism Promotion (Discover Durham)	\$5,692,585	\$5,882,400	\$6,076,960	\$6,276,384
Building the Destination (nonprofit)	\$0	\$0	\$0	\$0
Durham County	\$4,865,736	\$4,974,880	\$5,086,752	\$5,201,421
City of Durham	\$4,265,396*	\$4,707,520	\$4,790,208	\$4,874,963
Discover Durham Total	\$5,692,585	\$5,882,400	\$6,076,960	\$6,276,384

*As reported by City of Durham Finance

Proposed Durham Occupancy Tax Distribution

Conforming to 1997 NC uniform guidelines

Organization	FY 2023	FY 2024	FY 2025	FY 2026	Variance	% FY24 Budget
Tourism Promotion (Discover Durham)	\$5,692,585	\$5,882,400	\$6,076,960	\$10,901,845	\$4,625,461	
Building the Destination (nonprofit)	\$0	\$0	\$0	\$5,450,922	\$5,450,922	
Durham County	\$4,865,736	\$4,974,880	\$5,086,752	\$0	-\$5,201,421	0.585%
City of Durham	\$4,265,396*	\$4,707,520	\$4,790,208	\$0	-\$4,874,963	0.799%
Discover Durham Total	\$5,692,585	\$5,882,400	\$6,076,960	\$16,352,767	\$10,076,384	

*As reported by City of Durham Finance

Destination Durham Funding Sources

1. Occupancy tax
2. State & Federal Grants
3. Corporate & Individual Donations

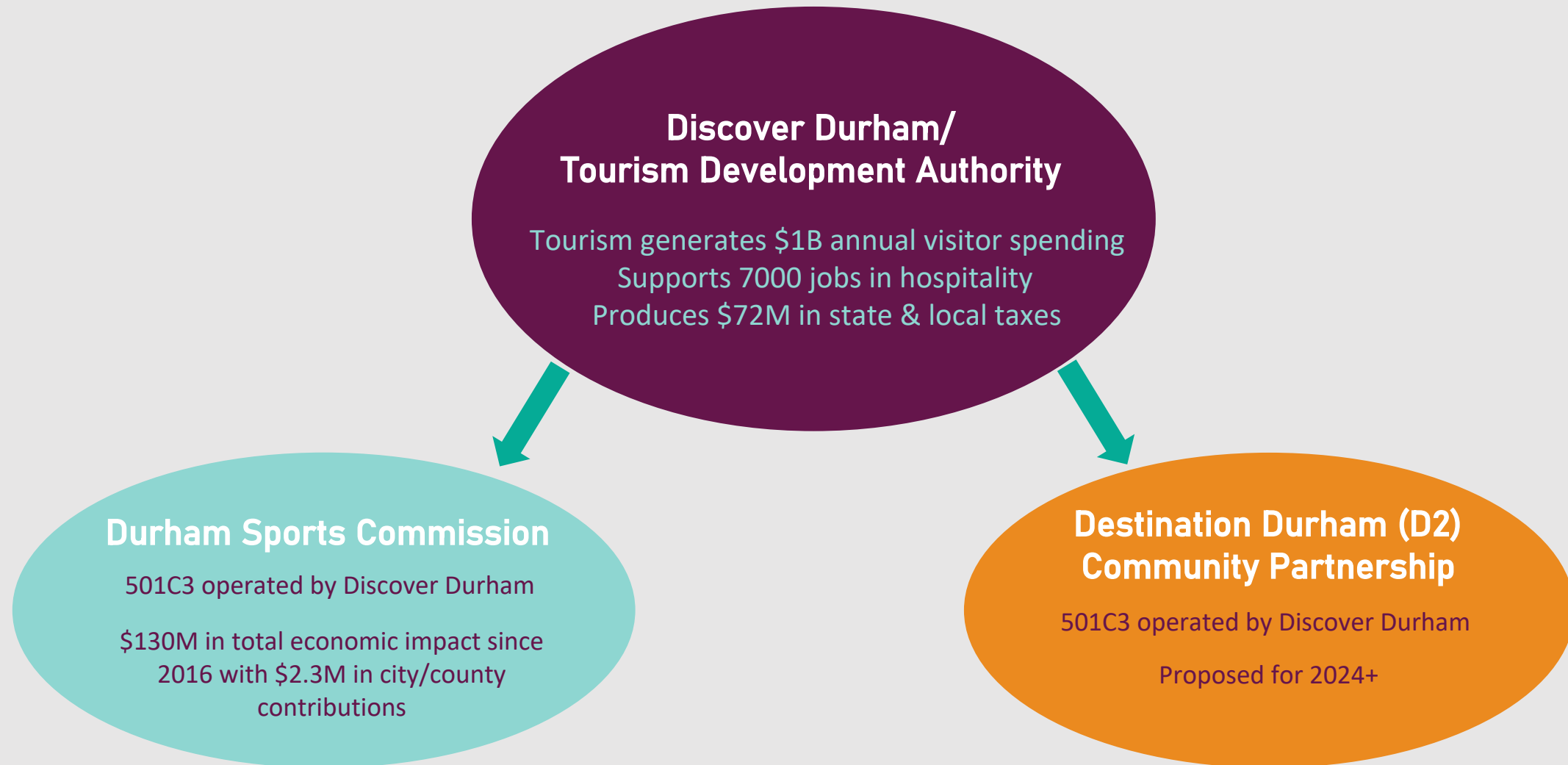


- Project scoping & prioritization
- Project feasibility and funding studies
- Project initiation
- (Limited) direct project funding
-- and --
- Matching grants to local organizations for mission-aligned projects

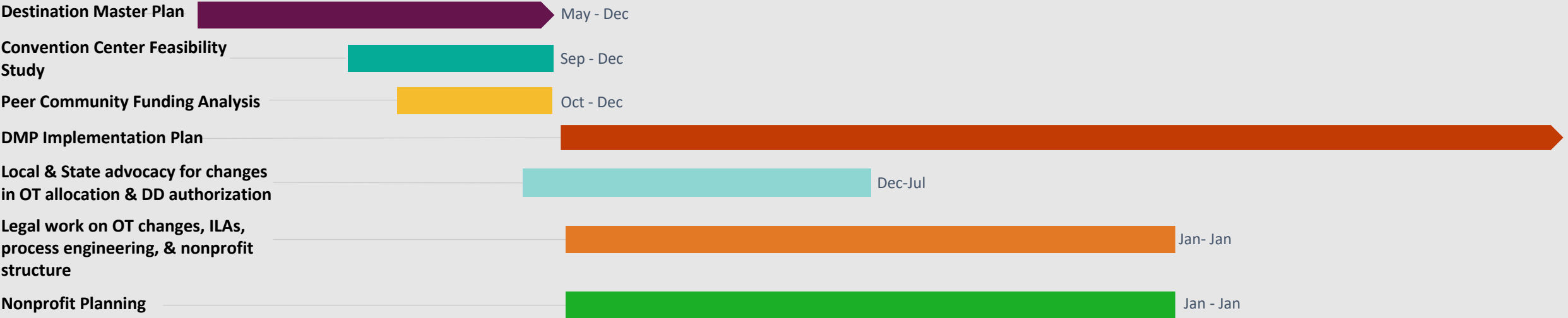
Functions & Deliverables



Modeled after the success of the Durham Sports Commission structure, Discover Durham will operate D2, providing marketing & operational support that allows D2 to focus on its mission



Destination Durham Planning Timeline



Implementation Dates Summary

- DMP Project Work (ongoing)
- Local bill passed in 2024 GA session
- Nonprofit start-up: Fall/winter 2024
- Occupancy tax redistribution begins: July 1, 2025



CRUCIAL QUESTION

What is necessary for Destination Durham to have the authority and influence to accomplish its mission for Durham?



Appendix

Steering Committee

Adam Klein	Capitol Broadcasting/ATC	Kim Sowell	Durham County Manager
Angela Lee	Hayti Heritage Center	Leonardo Williams	Zwelis, City Council, TDA
Aubrey Zinaich	Consultant, TDA	Nicole Thompson	Downtown Durham Inc.
Becky Bolton	Durham Convention Center	Ondin Mihalcescu	NCCU
Cara Rousseau	Discover Durham	Pat Anderson	Southpoint
Carlos Rubio	Delta Hotels, TDA	Patrick Byker	Morningstar Law Group
Craig Spitzer	Early Bird Night Owl Hotels	Pilar Rocha-Goldberg	El Centro Hispano
Daniel Edwards	Morehead Manor, TDA	Scott Levitan	RTP
Stelfanie Williams	Duke	Susan Amey	Discover Durham
E'Vonne Coleman	Consultant/CAB Master Plan	Wanda Page	Durham City Manager
Geoff Durham	Durham Chamber	Wendy Jacobs	County Commissioners, TDA
Jennings Brody	Parker & Otis, TDA		

Adjacent Planning Efforts and Timing Update

Plan	Next Steps
Downtown Durham Inc. Blueprint	Kicks off ~January 2024
Cultural Arts Roadmap	Visioning workshop with emerging themes 12/11/23
Multisport Complex	In discussions about potential locations
RTP 3.0 Plan	Presentation to County Commissioners 12/23
Duke Gardens 5-yr Strategic Plan	Interviews underway
Southpoint expansion	Zoning approval complete; design, planning and financing underway
ATC Expansion	In implementation
Durham Parks & Recreation Master Plan	Target plan completion/adoption: Spring 2024.
Hayti District Plan	Received \$10M in funding. Being coordinated by City.
NCCU Masterplan	Implementation in process
Museum of L&S 3-yr Strategic Plan	Community input phase
Museum of Durham History	Expansion planning

Occupancy Tax Proposal Assumptions

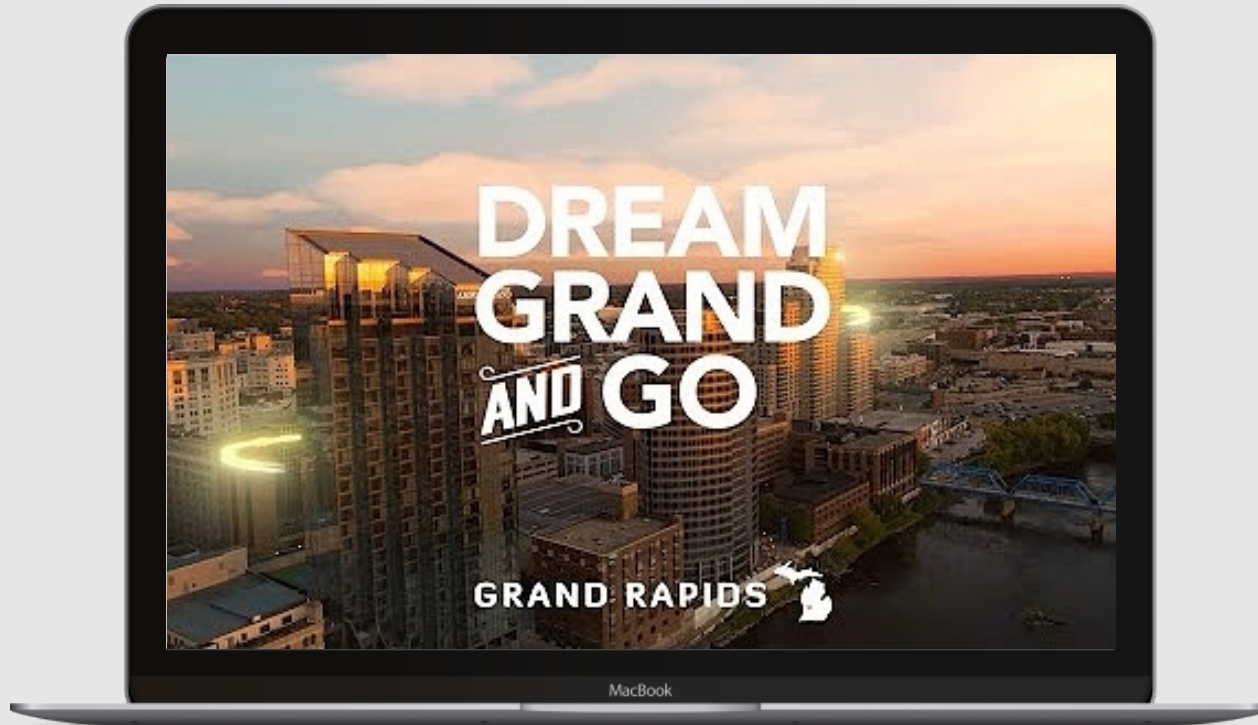
- YTD through December O.T. is 2.3% above prior year
- We have projected a 2.5% increase for future years



Nonprofit Case Study Examples

Grand Action 2.0

Grand Rapids, MI

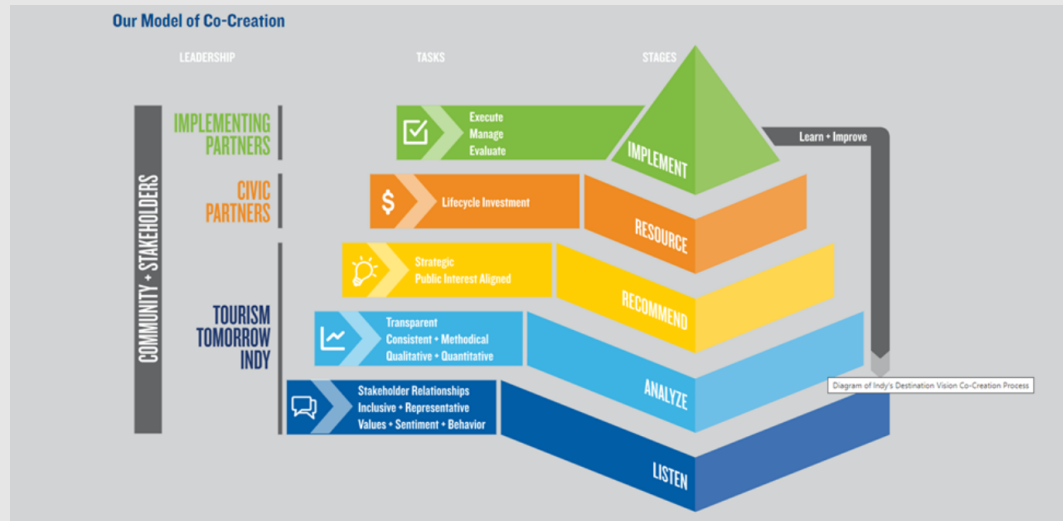


- “It takes visionaries, and maybe a crisis”
- 501c3 quasi-government org legislated to build regional assets; started w/ arena, convention center. Works symbiotically w/ government
- Funded with OT, plus private hotel assessment (similar to TID), will soon be 12% total. Also major donors
- GA2.0 is the project developer. Separate P3 org operates



Tourism Tomorrow Indy Indianapolis, IN

- “Travel and tourism is part of the solution to addressing community needs. Our ability to contribute to the shaping of our community does not come from any legislative mandate or executive authority, but rather from the verdict of the long-term benefits derived from our work and its alignment with community goals. Our authority is derived and limited by residents’ ability to embrace and benefit from our work.”
- 501c3 quasi-government that works with civic and implementing partners to make changes
- Funding: 77 Implementing Partners that actively support and contribute to TTI to advance the plan’s actions.
- Projects: <https://indydestinationvision.com/plan/>





Go Great Foundation, or

Great Lakes Bay Region
Quality of Life Council
Saginaw, MI

- Est. 2015
- Nonprofit directed by DMO
- Project developer; can also own, operate and manage facilities

Destination Madison Foundation

Madison, WI



- “Destination Madison’s work sits squarely at the intersection of visitor and resident: leveraging the economic contributions of visitors to propel key projects forward, while at the same time improving the quality of life for residents who call our community home”
- 501c3 that provides a means for accepting tax-deductible contributions
- Funded by community partner and corporate business investment on a level system
- Projects: Supporting research and development of the Lake Monona Waterfront Design Challenge; Funding inclusive hospitality worker training via HospitableMe; and awarding more than \$450,000 in MASC Youth Grants

Experience Champaign-Urbana Foundation



- Purpose: To develop financial opportunities to support our community and create extraordinary experiences for visitors and residents by increasing corporate/private support for community projects, such as hosting the state basketball tournament.
- 501c3 evolved to focus on 4 areas: Event bid incentives, film office, talent attraction, and product development.
- Funding: Hotel tax revenue from IL Office of Tourism and City of Champaign; Can apply for grants; and private funding and project-based governmental funding for community-based initiatives and destination development. (giving \$25-50,000)
- Recent Initiatives: Event Funding Assistance (recruit and retain IHSA State Basketball, Hot Rod Power Tour, AJGA Golf event, etc.) ; Air service development; African American Cultural Heritage Trail; and Chambana Welcome crew