



## ACC decision another blow to N.C.'s economy, reputation

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**FILE -** In this March 31, 2016, file photo, NCAA President Mark Emmert answers questions during a news conference at the men's NCAA Final Four of the NCAA college basketball tournament in Houston. Basketball-crazed North Carolina has lost its next chance to host NCAA men's basketball tournament games along with several other championship events due to a state law that some say can lead to discrimination against LGBT people. Emmert said in statement Monday, Sept. 12 night that the governing body will delay announcements on future championship sites until early next year. (AP Photo/David J. Phillip, File)

By Richard Craver Winston-Salem Journal | Posted 2 days ago

~~The ACC's decision to move its championship games out of North Carolina might be the biggest~~

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The foremost loss is the ACC title football game, which was to be held at Bank of America Stadium in Charlotte in December — by far the most successful host site for the game. A leading replacement site could be Orlando, Fla., according to ESPN.

“The latest moves by the NCAA and ACC really move the costs of the intransigence in solving the HB2 issue to a new level,” said Mark Vitner, a senior economist with Wells Fargo Securities. “Up until recently, the losses have primarily been bad public relations and missed opportunities. Now, we are looking at substantial losses and a significantly larger hit to the state’s prestige.”

Revenue losses from the 12 lost championship events are likely to exceed \$40 million.

Tom Murray, the chief executive of the Charlotte Regional Visitors Authority, said in a statement that losing the ACC football championship “is a blow to Charlotte’s visitor economy and is irreplaceable at this late date.”

The 2015 title game added \$32 million to the local economy, the authority said.

Also leaving are four events set for Greensboro: men’s and women’s swimming and diving at the Greensboro Aquatic Center; women’s basketball at the Greensboro Coliseum; and women’s golf at Sedgefield Country Club.

The ACC is not moving games scheduled to be played at its member schools, meaning the ACC field hockey championship will still be held at Wake Forest University on Nov. 3-6.

“Every one of our 15 universities is strongly committed to these values and therefore, we will continue to host ACC Championships at campus sites,” the conference said.

Altogether, the ACC holds 29 championship events each year, and 19 of those were to have been in North Carolina in 2016-17.

“We continue to hope for a resolution to this matter in the near future,” Ron Wellman, Wake Forest’s athletics director, said in a statement. “We hope that the communities within North Carolina will again have the opportunity to host future neutral-site ACC Championship events.”

## **More games to be lost?**

The ACC’s decision came two days after the NCAA pulled seven championship events from North Carolina for 2016-17, including the first and second rounds of the men’s basketball tournament in Greensboro and the women’s soccer College Cup from Cary.

The Asheville Citizen-Times reported Tuesday that the Southern Conference is considering moving championship events from North Carolina, while the CIAA told the Winston-Salem Journal on Tuesday that it has no plans to move its championship events.

ACC Commissioner John Swofford said in a statement that the decision “is one of principle.”

“While this decision is the right one, we recognize there will be individuals and communities that are supportive of our values, as well as our championship sites, that will be negatively affected, Swofford said. “Hopefully, there will be opportunities beyond 2016-17 for North Carolina neutral sites to be awarded championships.”

Swofford on Tuesday expressed his personal opposition to HB2, which restricted the rights of gay and transgender people. It, among other things, requires people in publicly owned buildings

to use restrooms and locker rooms that match the gender on their birth certificate.

Cary gets hit hard again by the ACC decision, losing the women's soccer semifinals and finals, and men's and women's tennis tournaments.

"Regardless of one's views of this bathroom issue, it is harming every single person in North Carolina through lost revenue, lost business and a negative perception, which has unknown implications," Cary Mayor Harold Weinbrecht said in a statement.

## **Long-range effect**

The national response to the law has been largely negative, putting Gov. Pat McCrory, a Republican on the defensive as he runs for re-election against N.C. Attorney General Roy Cooper, a Democrat.

The law, passed by a Republican-controlled General Assembly in March, also excludes sexual orientation and gender identity from statewide anti-discrimination protections, overrules local nondiscrimination ordinances and prohibits local government entities from requiring a set hourly wage from third-party contractors working on a project.

There was no immediate comment from the Republican legislative leaders who pushed for the passage of HB2 in March, the state Republican Party or the N.C. Department of Commerce, which has oversight over sports marketing.

McCrory issued a statement Wednesday evening that echoed his statement about the NCAA's action. He said groups should allow the case to play out in court before making any decisions.

Michael Walden, an economics professor at N.C. State University in Raleigh, cautioned that "there is legitimate reason to worry about long-run impacts from a potential adverse hit to the state's business reputation."

"With states now in such close competition for business location," Walden said, "any negative factor may be enough to tip the scales to a competing state. HB2 will clearly be an issue in the statewide elections, especially with the losses being focused on sports."

John Sweeney, a marketing professor at UNC Chapel Hill with a focus on sports, said part of the collateral damage from the NCAA and ACC decisions, as well as the NBA pulling the 2017 All-Star Game from Charlotte, is that they "do not represent political organizations."

"These are organizations making business decisions," Sweeney said. "The HB2 law is clearly viewed as extremist and discriminatory by mainstream organizations in sports and traditional business."

He said the damage to North Carolina's reputation "is significant and long term. It will continue, in my view, until the law is modified or withdrawn. A Democratic governor is irrelevant if the legislature will not modify the law.

"More significant," Sweeney said, "there will not be a record of the events and firms that take the state off the consideration list for future commitments. This is where the situation is economically toxic."

## **Polarizing brand**

Roger Beahm, the executive director of the Center for Retail Innovation at Wake Forest University, said one ripple effect from the HB2 fallout is a reminder that “our state is a brand in and of itself.”

“Over time, North Carolina has come to stand for different things in people’s minds,” Beahm said. “Sometimes, when you change what your brand stands for — as HB2 has done — it can have a polarizing effect among customers in the marketplace.

“When the judgments and feelings toward the brand don’t align with some of those customers, we know what happens ... they switch brands.”

Beahm said it’s time for state officials “to practice some good brand management principles, more clearly defining the brand’s marketing objectives, and deciding/testing which strategies are going to best accomplish them.”

“Doing nothing is the fastest way for a brand on the decline to lose further share in the marketplace. And the loss of these ... events shows that, from a marketing standpoint, share is going in the wrong direction,” he said.

The Carolina Panthers and Durham Bulls, whose stadium was to have been the site of the ACC baseball tournament, released statements expressing their disappointment with the ACC’s decision but said they respect the thought process.

The Bulls said “we understand the conference’s position, and support our partner’s decision to remove those championships from North Carolina.”

“We look forward to a resolution of this issue, so that we can welcome the tournament back to Durham in future years. We have opposed House Bill 2 from the beginning, and continue to share that sentiment.”

John H. Boyd, a site-selection official from Princeton, N.J., said the HB2 controversy brings “a whole new meaning to Carolina blue.”

“One of North Carolina’s most prized and valuable public relations brands is college basketball, leveraging the fame and success of (the Big Four schools),” Boyd said.

“As a result, the NCAA decision is one that affects North Carolina especially hard.”

Boyd compared the cumulative impact of the HB2-inspired departures, business expansion and relocation cancellations and entertainment cancellations to the economic losses experienced by Phoenix with the loss of the 1993 Super Bowl upon the narrow defeat by Arizona voters in November 1990 of re-establishing Martin Luther King Jr.’s birthday as an official state holiday.

Boyd summed up North Carolina’s business and reputation dilemma as being “all about human resources considerations.”

“Our corporate site-seeking clients all want to be able to recruit the top talent locally and from around the country in a setting they will all feel comfortable and wanted,” Boyd said. “The bathroom bill in North Carolina gets in the way of this important goal.

“It’s not too late for North Carolina to repeal (HB2),” Boyd said, citing the changes made in Indiana about its religious freedom legislation that sparked protests and threats of moving a Final Four men’s basketball tournament and the NCAA headquarters from Indianapolis.

"Cooler heads, with an eye on business attraction and the economy, prevailed," Boyd said. "Now, Indiana is one of the most successful states in the competitive economic development arena."

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A list of the Atlantic Coast Conference championships during the 2016-17 academic year being moved from North Carolina, as announced Wednesday following a vote of the league's presidents:

- \* Women's soccer, Nov. 4-6, Cary.
- \* Football, Dec. 3, Charlotte.
- \* Women's swimming and diving and men's diving, Feb. 15-18, Greensboro.
- \* Men's swimming, Feb. 22-25, Greensboro.
- \* Women's basketball, March 1-5, Greensboro.
- \* Women's golf, April 21-23, Greensboro.
- \* Men's golf, April 21-13, New London.
- \* Men's and women's tennis, April 26-30, Cary.
- \* Baseball, May 23-28, Durham.

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