

For Approval February 19, 2020

**Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting  
January 15, 2020**

The Chapel/Orange County Visitors Bureau met at  
The Hampton Inn & Suites, 370 E. Main Street, Carrboro, NC 27510

**Board Members Present:** Pam Hemminger, Dixon Pitt, Tanya Moore, Anthony Carey, Kayla Dempsey, Sam Vadgama, Lydia Lavelle, Mark Sherburne, Tim Hoke, Annette Stone, Matt Gladdek, Penny Rich, and Jamezette Bedford.

**Not Present:** David Brooks, Mark Bell, Libbie Hough, Spring Council.

**Staff Attendance:** Steve Brantley, Laurie Paolicelli, Marlene Barbera, Leslie Wilcox

**Also present:** Clean, Inc. – Jessica Herrschaft, Zack Thompson, Jon Parker, and Hannah Beckner. Sarah Parris, Executive Director, The Alliance for Historic Hillsborough. Randi Emerman, Founder & Executive Director, Film Fest 919.

Guest: Alexa Nota, President, Chapel Hill Short-Term Rental Alliance.

### **Call to Order**

Chair Anthony Carey called the meeting to order at 8:05 a.m.  
Introductions were given by all.

### **Approval of Minutes**

Chair Carey requested a motion to approve the November 20, 2019 minutes. Mark Sherburne so moved and Tim Hoke seconded the motion. With all members in favor, the minutes were approved as submitted.

### **Finance Report Executive**

Commissioner Rich gave a brief description of the financial report for new members. The source of Visitor Bureau financial information is Gary Donaldson, Chief Financial Officer, Orange County Finance and Administration Department and the Tax Administration Department of Orange County.

Our goal with the financial report is to give an overall view, sort of like at the 30,000-foot level. We do not want to get lost in the weeds and talk about every single dollar.

Penny reminded the board that occupancy tax revenues are two month's in arrears so today's report is on November occupancy taxes. Collections were \$160,000, up about \$14,000 from November 2018 representing a 9.55% increase. Almost \$11,000 (\$10,948.55) was Airbnb occupancy tax collections. Total occupancy tax collected year-to-date through November is roughly \$760,000 (\$758,414.83) up \$46,807 from last year, which represents a 6.58% increase. Our largest expenditures, as always, is advertising. We recently designed and published our new Visitors Guide and Neighborhood Guide, which Laurie will discuss in her Executive Director's report. We anticipate the budget will be uneventful over the next couple of months if not the remainder of the fiscal year, which is a good thing. We do not expect any dip in occupancy tax revenue and are on trend to stay steady. Mark Sherburne shared that the October/November flip-flop was due to this year's game schedule resulting in a healthier November. Penny inquired on whether that was a good thing and Mark responded that it can and can't be depending on the weather which is iffier in November and having a game during the Thanksgiving week isn't always a good thing.

In recent years, Laurie and Penny started focusing on the information from the Tax Office with the increase in short-term rentals and realizing there was not a balance between occupancy and tax collections. Laurie and Penny met with Nancy Freeman who, at the time was the Assistant Tax Collector. Laurie shared that we receive occupancy tax data from not only the Orange County Tax Office but also the Town of Chapel Hill and through AirDNA, a service that provides Airbnb data.

## **Honoring County Commissioner Penny Rich**

Anthony Carey thanked Penny for her last financial report and her service to the Visitors Bureau board. Anthony read the proclamation and presented to Penny. Photos were taken. Penny explained the importance of tourism as it relates to Economic Development of our community.

## **Guest Presentation**

Clean Design presentation (see attached pdf). Clean Design's presentation was of the current digital and social media (Facebook, Instagram) advertising and website refresh. "Hoop Dreams" ad added to the "Just Do You" advertising campaign and will be running in March. Laurie mentioned on the slide showing "Picture Perfect" that the feedback is it feels a little too elite so we are adding scenes from a street festival and we have had requests from the retail community to add retail.

## **Executive Director's Report**

Laurie Paolicelli discussed the Visitors Bureau relocation. Our building has been a part of this fantastic economic development opportunity for the Town and County under Steve Brantley's direction and the Commissioners support. Healthcare technology company [Well](#), currently where the old Ale House was, will be expanding into the County's Skills Development Center and Visitors Center as soon as we will let them. That puts a lot of pressure on our Facility Management Director to get all these moving parts together. We have done an exhaustive search for a new home. Everywhere from the I-40 and Caraway Village to Carrboro, refurbishing the car wash, to various different places in and around town. Where it stands right now is we are moving forward to present to the Commissioners moving to the CholaNad building, 308 W. Franklin St., originally a Trail Shop. Joe Coates owns the building. We do not know the details but they are not renewing CholaNad's lease that expires March 31, 2020. The County Manager's biggest concern is the flood plain. We have done exhaustive research and review of historic reports. There is one horrific photo out there in internet land from Hurricane Irene but none of us got through that without water damage. They have never had flooding there. The building sits higher than the parking lot and surrounding ground level. It is 4,000 square feet of space and currently we have around 3,600 square feet. It comes with seventeen parking spots which rules for Welcome Centers. "What's the point of having a Welcome Center if your guests can't park?" It is very ADA accessible. It has some wonderful features. It is in the heart of a commerce area and close to everything. We would not be the predatory towing mentality that currently exists there. Although we would safeguard our spots for our guests, for our veteran's, for the people who use our conference center. The up fit charges are all currently being negotiated. We will have two months of free rent in order to handle all the up fit. The next requirement is a construction drawing. Friday I meet with two local architects. One from the County, I don't recall their names, that the team is very excited about and then Josh Gurlitz who has dealt a lot with permitting and the Town and built The Franklin Hotel across the street. Years ago, Joe Coates put in a whole drain system of his own that the Town ended up reimbursing him for half to help the storm water drainage. The County Sustainability Department, Brennan Bouma, Steve Arndt, and Alan Dorman felt great after that last walk thru. Laurie asked for comments to share with Travis Myren before this is addressed on the Board of County Commissioners meeting agenda.

Penny advised that the agenda comes out tomorrow so anyone who pays attention to the BOCC meeting agenda will see that tomorrow. She further advised that there is a timeline on that agenda. If things move according to plan, renovation can start March 1<sup>st</sup> and the goal is to move in June. The partnership Asset Management and Joe Coates have settled on seems to work well for both the County and Joe Coates.

Penny advised that, worst case scenario in which CholaNad building is not ready we could buy some time from Well. Once Well's lease starts, there will be a little bit of leeway because you just do not know. When you start renovating a building, you just do not know what can happen. So Steve Brantley and Travis Myren are negotiating with Well to do a month-by-month if we need it. The goal is to get Well into our building as soon as possible because they are leasing our building but will be doing upgrades to our building which is taxable. The building itself does not go back on the tax roll until they take the building but as soon as they start upgrading, that is taxable. Therefore, we want to keep that train moving also.



Laurie mentioned that last time she presented building options, including the Aveda building, Mark Sherburne had sent a letter stating what good is a Welcome Center if you do not have any place for your guests to park? So, the County went back and said we really do need parking here. Travis Myren worked with Steve Arndt and they have been very, very, helpful.

Pam Hemminger shared a comment that the Town is very excited about the positioning of the Visitors Center in the CholaNad building because we can be a very welcoming spot. The number one complaints the Town gets is from the towing situation there. There currently is not an area to park in order to do things near there. The Town also hears that in our current location visitors do not know where we are, they cannot find us and are not sure they can park.

Laurie shared that she and Tanya Moore, who is overseeing the new UNC Visitors Center, have a collaborative relationship, sharing our guides and other information and the feeling is with UNC Visitors Center on the East end and the Chapel Hill/Orange County Visitors Bureau on the West end of Franklin.

Laurie commented that this building has an outdoor patio space in which visitors can sit, linger, and talk. The accessibility is phenomenal. Also, you may remember when it was the Trail Shop there is all this natural light. An early plan right now is for us to collaborate with Orange County Parks and Recreation to use the wall space for maps of all the local trails. That is the number one request we get, "Where can I go and explore this green area?" We are going to be moving into more functional maps, trails, helpful information for visitors, accessibility, and parking. It really is a lovely building and that is where we stand.

Annette Stone asked Matt Gladdek if he is aware of what is the plan for the old Mellow Mushroom location since that was the biggest conflict around parking. Matt responded that the building is up for lease but the biggest conflict around predatory parking was, during non-peak times, people would park and try to run in and do something that only takes a few minutes and within a few minutes they would have a boot on their car and it would cost them \$300. Matt is not aware that it was a major conflict during peak lunch hours. He is optimistic that someone parking there for five or ten minutes at two o'clock in the afternoon is not going to hurt anyone. It will be a culture shift. A gentle reminder on someone's windshield vs. a \$300 boot.

There was a question about the length of the lease. Laurie responded she believes it is a five-year lease.

Laurie wrapped-up the discussion stating that Joe Coates has been in the community a long time. He graduated in 1972 from Duke. He knows Orange County very well and his wife runs a very successful school for autistic children in Durham. They have been very involved in Orange and Durham. He has been terrific to work with. You will be hearing more about our relocation from the County Commissioners meeting.

Tanya Moore asked about the process for up fitting and whether we get to pick who we work with on design, layout, look and feel? Laurie explained it is in partnership with our Facility Management Director, Steve Arndt and that there are certain specs we have to maintain but we do have flexibility in design and whatnot. The space will be totally reimagined as it was fifteen years ago for a cozy, vintage welcome in keeping with the building. In our new location, we will be moving to more touch, tactical, maps, guides, etc. We will be doing less print distribution because our visitors are not taking as much print. It is definitely time to get with the time. Clean had done a design on a kind of building wrap we may revisit.

Laurie expressed one area of concern. If there is flooding on Franklin, who do we work with as the Department of Transportation is responsible for Franklin St. but the Town controls Rosemary St. behind us because it is a State Highway?

Penny asked if we will keep the conference room? Yes. She then asked how complicated getting rid of the kitchen area will be. Laurie responded that CholaNad and Joe Coates will handle all that. Lastly, Penny asked how many of the seventeen parking spots will be used by staff during the day? Laurie responded that we have six staff members.

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Laurie's second topic for her Executive Report.

The Visitors Bureau sponsors a major festival every year. TerraVita has ceased. Our guest today, Randi Emerman, Founder and Executive Director, Film Fest 919 is proposing that we step in and help with the 919 Film Festival. Laurie invited Randi to present to the board because Laurie has some hesitations about it and wanted to give Randi the fairness of talking to the board about it. The whole point of tourism marketing is to get the word out early. We are not able to do that with Film Fest 919 because the movies that are vetted and showed cannot have publicity until they go through a certain process. Randi, Art Chansky, and Phil Ford started this and do a marvelous job. They have met with us and showed us the tremendous response in the media globally from 919 Film Festival. As you know, I started in Palm Springs, California, Sonny Bono was our mayor, he was insistent on a film festival, and there was a lot of pushback for this same reason. You really cannot talk about it until very late which sometimes negates the visitors sell. It ended up being one of the biggest film festivals in the Country. I talked to the Executive Director out there recently and he said they are booked early for that film festival. It has become a huge event. Laurie turned it over to Randi.

To answer your question about how film festivals are marketed, now that we have two under our belt, you use past film festivals. You market the event, not what is going to be there. A little history on the last two film festivals. We started this last year at Silver Spot. I lived in Palm Beach and helped start the Palm Beach International Film Festival and I was there for twenty years. The County Commissioners started the Palm Beach Film Festival because they wanted Palm Beach to be known for something besides rich, old people. This is going back a while ago when we started it in the 1980s. When I came here to build Silver Spot, Chapel Hill was always on our mind to put a film festival here because of the University and because you do not have a major film festival in this market. At the time, there were still some tax credits, which are back now, for filmmakers to come into the area, and we knew the success of and support that the Full Frame Documentary Film Festival, one of the largest documentary film festivals in the world. At the time, we started building Silver Spot, so we had a theater now. We are going to bring in the best of the best. Films you are going to see go onto the awards cycle. Films like you see at Cannes, Toronto, Venice, and Telluride. HB2 came along so we had to backtrack and put it on hold for a while. Then that all changed and we jumped in and did it. In our first year, last year, we had 22 films go onto 247 major awards, 7 being Oscars. Those filmmakers were here at our festival. A reason why so many people want to start a film festival is that they are great tourism vehicles. I'll use Palm Beach as an example because I was there for so long, our average hotel room count for the same amount of days would be around 1,200-1,500 people. Palm Beach was not on the same level of films. They were the really independent, higher and medium-level. In looking at Telluride Film Festival does something like 60,000 people. We book our lodging ahead not even knowing if we are going to get a ticket to the festival. You go on March 1<sup>st</sup> at 12:01 to buy your pass, which is \$1,000, the cheapest ticket. That only gives me the right to stand in line for two hours to see if I get in to a movie. That is an example of a little town, family-oriented that holds an annual film festival. Last year we had 3,000 in attendance. We are restricted to Silver Spot and the amount of seats, which is something to look at in the future to deal with. This year we had 4,200 people in attendance. Last year, only rooms I can account for, we used 112 hotel rooms. This year 133. People are eating out while they are here. They are people with money. It is not your down and dirty independent filmmakers that are coming. Between last year and this year, we had almost 300,000,000 worldwide impressions. We brought in 38 journalists from around the world and the country. Not as much interaction with local media. We are working on it. This year we were on two t.v. stations. Its hard now with media. It is influencers to get the word out. Especially when you are doing it with no budget. We just won four Golden Globes last week and we have eight films that are up for 28 Oscars coming up February 9th. Andrew McCarthy who wrote The Two Popes was here and he was just nominated for an Oscar. He loved the Sienna! It is only something that can grow. We have the momentum from Hollywood. That is the first and foremost. We can get the product. Now it is getting a way to put it on here. I have many friends helping me from outside the area. We need a team. These are people who make good salaries as you go forward. I do not really want to use people from outside the area but I need time to grow the infrastructure. We are thrilled to be here. The industry is thrilled we are here. The media loves it. I was at the L.A. Film Critics Awards over the weekend. Everyone is on to it. It is just getting the area to catch on to it.

Mayor Pam Hemminger shared her thoughts. "It's a big deal, a big experience in a small community. Not only the hotel rooms but also dining and other retail. People were eating in restaurants at two in the afternoon. They were doing things between films. I overheard conversations indicating people came from around the state and that this was a big

deal. They wanted to come experience these films in Chapel Hill, this artist community. The FRANK gallery was busy with walk-in business of people who wanted to experience art along with film. We have talked about what kind of demand generators can we get in this community. This one could grow to be absolutely huge. It attracts a different crowd from our sports crowd. We love our sports energy. This will bring more people who are not going to come for sports events. They will spread the word about coming here. We want to be that arts community. We want that creative energy. This would support those goals. Getting more people involved will help this explode off the map for this area. The opportunity is right here with people willing to do the work. We see it as a win, win, win. We were trying to promote it as best we could as a town."

Penny asked what time of year is the festival, how many days, and are all the shows at Silver Spot. It is in October, it is five days, and yes, right now all the shows are at Silver Spot. Penny offered a suggestion to tap into Katie Murray's, Arts Commission Program Coordinator, knowledge on more marketing, etc.

Question about expanding. Limited by available equipment

Mark Sherburne inquired on what the financial ask is? Laurie clarified that, at this time, what she is asking this board for, is if there is interest, to make a motion for staff to proceed with Randi and talk about different financial levels and bring it back to this board at next month's meeting.

Mayor Lydia Lavelle inquired if, in addition to the films, would there be breakouts like TerraVita offered (Meet with the Chefs, etc.). Randi responded you are not just watching films. We bring a lot of the filmmakers. We are really focusing on filmmakers. Next year's festival is going to have a composer's aspect to it. We are always going to focus on the screenwriter because that is where the heart and soul of the movie comes from. It is so interesting to hear them talk. Lydia suggested that anything that could be away from the theater, away from University Square, be held in Carrboro or Hillsborough would help distribute the excitement and the aura.

Mark Sherburne motioned for the staff of the Visitors Bureau to continue having conversations with Randi Emerman and return to this board to report on it. Mayor Pam Hemminger seconded.

Penny commented before the vote: "While I loved TerraVita and was so involved with TerraVita I didn't see in the end TerraVita bringing in the rooms. I think what we are hearing now, just from the two years data, that we do get the rooms. I think we need to keep that in mind. The film festival is great but we are bringing the rooms in. I think with Lydia's question about expanding and bringing in some of the restaurateurs into the film vs. food, which always goes wells together.

Anthony Carey called for a vote on Mark Sherburne's motion and the motion passed unanimously.

### **New Business/ Roundtable**

Chair Carey motioned to reappoint Kayla Dempsey, Mark Bell, and Lydia Lavelle to the board. Tim Hoke seconded. Motion was passed unanimously.

Chair Carey, who chairs the nominating committee, motioned to recommend Spring Council to the Board of County Commissioners to serve her first full term. Mayor Pam Hemminger seconded. Motion was passed unanimously.

Chair Carey advised of changes as we move into 2020 and our efforts to move away from paper. Opting out of paper agendas and board packets is now an option. Just let Leslie Wilcox know. Along with that, we have really great discussion in this room and we do not want to let that stop or stymie or have people leave the room, as we have seen already. We have a lot of great information to share. So to help us capture what is being shared, it is hard for Leslie to take what is recorded and transcribe all the different contributions in the roundtable sharing of information. In an attempt to be better in 2020, we would like submission of your comment previous, if at all possible, so it can go officially into the minutes, as you would like. It is then in your words rather than relying on transcription of the recording to capture your meaning. This will help us streamline our reporting out. We have great representation from Hillsborough, the Arts, Carrboro, for example. Multiple people sit from each sector on our board. So instead of trying to respect

everybody around the room and not forgot somebody, we are looking to have an individual representative from each sector as we do the roundtable. Not that we do not want to hear from everyone but to have individuals from the same organization/sector have one report and report together. Just a thought, an ask, a try. Anthony gave an example of when the Arts lists out lot of great dates of opportunity, we are all feverishly writing down those dates thinking I want to go to that, I want to go to this. If you could submit these kind of dates/bullet points of what you are going to be talking about, then we have the dates captured and can work from that. Commentary could be added. Anthony mentioned that our 2019 meetings have been going over by 15 minutes or so and this could help us keep meetings on track and within the hour and a half allotted.

Chair Carey acknowledged all for updates in their respective fields and several board members shared recent events and upcoming events.

- Tanya Moore for UNC Visitors Center: The UNC Visitors Center is opening early March. In February, look for an invitation to drop by.
- Matt Gladdek for Downtown Chapel Hill Partnership: Lightup Festival is coming up February 2<sup>nd</sup> from 12:30 – 6:00 p.m. in Antoine Puech's old Aveda building at 140 W. Plaza. Gizmo Brew Works has opened. Dame's Chicken and Waffles is opening soon. Schoolkids Records is going to be opening a bar that they hope to have open for record store day, which is in April. Kind of like Volume in Hillsborough. We have a business that has just signed a permit for the old Hops space. We have pop-ups at the 140 W. Plaza in the interior suite there that we are doing with Carolina Arts Everywhere. We are programming the next pop-ups to go in 109 E. Franklin space next to Epilogue. I am hiring a new marketing person who will hopefully give me a report of things I should be mentioning here which should make this move smoother. Rescue Santa went well. We hired The Daily Tar Heel to do a market study for downtown Chapel Hill. In addition, I worked with four teams of students from UNC Kenan-Flagler to understand the relationship of students with downtown Chapel Hill. Some of the takeaways. There is a lot of fear that delivery services are taking student's money. Students do not like paying for delivery services because it is an extra fee. Even if they spend \$20 on food, if it is a \$4 delivery fee, they will cancel the order. There is demand for students to be able to order on an app or online and pick up their food. Some possibilities there. Another big takeaway is students want businesses that are not just eating or drinking downtown. More other activities. The big takeaway for Matt is the student market is not as big as we expect. We need to focus on non-students and make sure our businesses are not just focused on students. We are going to be doing a bigger presentation of all of this data
- Mayor Lydia Lavelle and Annette Stone for the Town of Carrboro: Two new restaurants opening in downtown Carrboro. Luna, which is a South American cuisine and another Thai restaurant. Several runs coming up in March, including a new one called Color the Hill that used to be in Chapel Hill. The biggest news from our Tourism Development Authority is a collaboration with the Carrboro Business Alliance (CBA) to launch a website for visit Carrboro. Right now if you google Visit Carrboro it is going to take you to a landing page within the Town's website. Hillsborough's is kind of the Golden Standard. We all love how Hillsborough's website looks. We are working with the CBA to relaunch a website and then have ongoing creative content. Reminder of all the events going on during MLK weekend including a ribbon cutting for MLK Park on Monday at 3:00 p.m.
- Sarah Parris for the Alliance for a Historic Hillsborough: Winter, typically a quiet season in Hillsborough with many sites closed due to weather, has been busy. We are gearing up for the "Year of the Woman", the hundred-year anniversary of women gaining the right to vote. The Alliance is coordinating with a bunch of partners in town and there will be many activities with Burwell School and others.
- Tim Hoke for Orange County Arts Commission: The Winter Solstice walk this year had over 2,000 people attend. Our State Magazine was here filming it for a feature article that will be coming out this next year. Still working on Eno Mill. The owners are in the process of doing some minor renovations for us for the spaces. We have a bunch of applications for those spaces, which we are vetting right now to make our final decisions.
- Steve Brantley for Orange County Economic Development: Anthony Carey congratulated Steve on the announcement of a business that manufactures sheet metal opening in Orange County. Steve said they anticipate some more good news this year from projects that lingered from last year. Steve gave kudos to Annette and Carrboro as they have some amazing economic development coming on-line. Steve shared that Orange County economic forecast from a budgetary standpoint this coming year is not anticipating any recession or downturn.



- Kayla Dempsey for the North Carolina High School Athletic Association: Basketball is March 14<sup>th</sup> at the Smith Center and there will be four games. Football went great. We love the turf field. Things are going well.
- Mayor Pam Hemminger for the Town of Chapel Hill: On Friday, Chapel Hill Council was presented with the 35 active projects going on around town. There is a lot of activity going on in Chapel Hill. We are seeing a lot of shifting and changing. Commercial opportunities mostly, to provide jobs and places to work. The University is putting on a series of input sessions later this month on January 27<sup>th</sup> and 28<sup>th</sup> about moving the admissions office to the Franklin St. area, which would be good for tourism, in our opinion. They have hired a firm out of Philadelphia who has dealt with integrating historic university downtown to new age admissions and those kinds of challenges. It is more than just admissions. UNC calls it Porthole Alley renovations. Their goal is to have a plan by July. West End restriping is moving along.

**Next meeting:** Wednesday, February 19<sup>th</sup> at UNC Hospital Hillsborough Campus.

Meeting adjourned at 9:29 a.m.

Minutes reviewed by:  
Laurie Paolicelli, Executive Director

Date

Minutes accepted by:  
Anthony Carey, Chairman

Date

