MINUTES
Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting
April 25, 2018

The Chapel Hill/Orange County Visitors Bureau met at
The Sheraton Chapel Hill Hotel, Chapel Hill

Board Members Present: Kayla Dempsey, Penny Rich, Lydia Lavelle, Annette Lafferty, Anthony Carey-Chair, Lee Storrow, David Brooks, Libby Hough, Andrew Strickland, Rachel Schaevitz, Tim Hoke, Rosemary Waldorf-Vice Chair, Mark Sherburne, Shannan Campbell

Not Present: Jeffrey Strickler, Aaron Bachenheimer, Mark Bell, Meg McGurk

Staff attendance: Laurie Paolicelli, Marlene Barbera, Allison Chambers, Katie Murray

Also present: Kara Weishaar, the Director of Association Management and Government Affairs Consultant at Smith Anderson, Tammy Potts-O’Kelley, member of the NC Travel and Tourism Board of Directors and its former Chair as well as Executive Director of the Randolph County Tourism Development Authority.

Call to Order
Chair Anthony Carey called the meeting to order at 8:09 am.

Introductions were given by all.

Host Welcome
Jeff Mikus, Director of Room and Operations welcomed to the board to The Sheraton Chapel Hill Hotel and expressed appreciation for their partnership with the Bureau and encouraged the board to keep them in mind as accommodation needs arise.

Approval of Minutes
Chair Carey requested a motion to approve the March 21, 2018 minutes. Lydia Lavelle so moved and Penny Rich seconded. With all members in favor, the minutes were approved as submitted.

Finance Report
Finance Chair Penny Rich reported that we are seeing a small reduction in revenues most likely due to the Airbnb supply. In March there was a 29.9% increase in available Airbnb’s in Orange County. Orange County hotels saw an increase in room nights but also a decrease in rate. Laurie Paolicelli stated that some factors are due to the increase in Airbnb, but also in new hotels opening in the County, changing economic conditions and increased supply in neighboring counties. Hotelier Manish Atma, by way of a letter to the Board of County Commissioners, has asked that the county look at Airbnb as it relates to inspections, including health department inspections that hotels have to adhere to. Guest Kara Weishaar advised that in response to pending legislation two years ago Airbnb voluntarily began collecting and paying occupancy tax. Penny Rich went on to report that the BOCC is finishing up the new budget and that the Visitors Bureau is expanding strategic advertising and online media and spending down the fund balance. Anthony Carey reminded the board that when new supply comes into a market that market has to adjust and that is what is happening now and it will balance out.
Guest Speaker Report
The board heard from Kara Weishaar, the Director of Association Management and Government Affairs Consultant at Smith Anderson where she serves as Executive Director for the North Carolina Travel and Tourism Coalition. She shared with the board that the NCRLA is going to take the lead with the NC Legislature in getting health regulations attached to Airbnb. Their goal at this point is to get a baseline state registry, as a first step, of the Airbnb’s in NC so communities know who is there so they can reach out to them, share information and let them know about the occupancy tax and what it does. This will probably not come up until the 2019 long session. Tammy Potts-O’Kelley who is on the board of the North Carolina Travel & Tourism Board of Directors and served as its former Chair and Executive Director of the Randolph County Tourism Development Authority, shared that Visit NC as part of the NC Tourism Office is also focusing on this. the NC Travel and Tourism Coalition which has 30 members with half coming from the public sector and half from the private sector has a goal to increase funds for tourism promotion with this year’s ask being $5 million. They provide guidelines for occupancy tax legislation which states two thirds can be used for tourism promotion and one third for tourism related expenses and you can’t go above the 6%. If they see legislation introduced that goes outside these guidelines, they work with that lawmaker to educate them on the law. They also work on maintaining the school calendar law. VisitNC has launched a new ad campaign called “Firsts that Last”. The Travel and Tourism coalition is sponsoring a legislative breakfast to be held on Wednesday, May 23 in the legislature’s cafeteria from 7 to 8 am and they will be talking about 2017 tourism revenue and employment numbers.

Executive Directors Report
Laurie Paolicelli shared that this meeting had been pushed back a week to accommodate a Chamber event. She shared the new strategic plan for the coming year and asked the board to review and come back with comments. The Bureau was founded in 1992 with the legacy tax bill. In the years since tourism in Orange County has increased in every year with the exception of one year during the recession. We will continue to pay attention to all types of tourism and how rulings of the state government may be hurting tourism. Our visitors come mainly from NC followed by VA, SC, GA and FL. Most visitors drive here and half are associated with the University. Promoting the whole area is critical, visitors love the food scene and the scenery and our loaf ability. Goals this year include: develop mid-week business; build small meeting and weddings market; expanding on our shoulder season tourism; building new visitor attractions that attract guests year-round; growing popularity of Carrboro and Hillsborough. Our challenges are rapid growth of new hotel supply; rise in popularity of Airbnb; lack of conference center for 350+ attendees; parking access downtown and key commerce zones and lack of youth sporting venues. Most of our digital dollars go to search engine optimization. Staff has plotted next year by quarter in the 2018-19 plan of action and the plan will be sent to the board electronically for review and we invite questions. The Visitors Bureau budget is strong and follows DMAI guidelines.

Sales Report
Marlene reported that the bureau will add a personal letter to all the envelopes when visitor guides and maps are mailed encouraging them to come by the Visitors Center when they visit Orange County. She is developing a relationship with UNC to possibly use some campus space for large events. Along with FleishmanHillard, the bureau is hosting an “Optimize Your Online Presence” seminar to talk to local businesses about their online presence on May 15 at Extraordinary Ventures in Chapel Hill.

New Business/Roundtable
Chair Carey acknowledged all for updates in their respective fields:

• Rachel Schaevitz shared that the town held the Near and Far festival downtown and she would be interested in feedback from board members who attend. The town is launching a parking app and adding 150 new spaces
downtown with a celebration at 140 West on Sunday afternoon, April 29 called Lots to Love as they try to change the perception that downtown is really fun but there is nowhere to park.

- Annette Lafferty reported that Carrboro has hosted Open Street and the CD & Record Show in the last month as well as the Bazaar. Carrboro Day is coming May 6 which is more of a hometown event. Mayor Lavelle reminded all that the Freight Train Blues Series is coming up, four Friday’s in a row beginning on May 18 at the new Town Commons. South Greensboro St. and North Greensboro St. at Estes Dr. Extension will be under construction this summer.

- Kayla Dempsey reported that the NCHSAA hosted their student leadership conference at the Sheraton in late March with 150 student athletes attending. They will host their annual meeting the week of April 30 at the Smith Center.

- David Brooks reported the Polo Club will hold Derby Day on May 5 and they have postponed the Charity Classic due to lack of sponsorship.

- Andrew Strickland reported that the AC, which opened in November 2017, is having a strong spring.

- Penny Rich reported that they have met with the school districts to receive their budget requests. The County Commissioners are meeting individually with the County Manager to get a preview and explanation of her budget recommendations.

- Mark Sherburne reported that the Carolina Inn is closing out another astronomical growth year. In the last five years they have grown their revenue from $14 million to just over $20 million. Fridays on the Front Porch will begin April 27.

- Shannan Campbell reported that Last Fridays will begin in April as will Music on the Lawn and the Art Walk which has grown this year with many more downtown businesses participating. On May 5th the Durham Symphony Orchestra will give a free concert downtown. Hillsborough’s occupancy tax has increased slightly in the last year and their food and beverage tax has increased by about 10%. She also discussed the Confederate flag controversy and the potential Settlers Ridge development. The Colonial Inn is in the planning stages with the town.

- Katie Murray reported that the art’s grant process has opened with two categories of grants, one for artists and one for non-profits, with and application due date of June 4. They will hold three training sessions beginning next week. They will be the leader for the County at Art’s Day in Raleigh May 23 & 24 when they meet with legislators to discuss needs. This year’s incentive is “$1 per person for the entire state”. If that passed it would mean a minimum of $40,000 in additional grant funds for the Orange County.

We will meet next month at Aloft Chapel Hill, 1001 Hamilton Rd., Chapel Hill

Meeting Adjourned at 9:47 am.
Minutes reviewed by:
Laurie Perillo, Executive Director

Date
5/16/2018

Minutes accepted by:
Anthony Carey, Chairman

Date
5/14/2018