

Approved March 15, 2017

**MINUTES**  
**Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting**  
**February 15, 2017**

The Chapel Hill/Orange County Visitors Bureau met at  
The Rizzo Center, Chapel Hill, NC

**Board Members Present:** George Cianciolo, Shannan Campbell, Andrew Strickland, Tim Hoke, Jeffrey Strickler, Rosemary Waldorf-Chair, Kayla Austin, Aaron Bachenheimer, Mark Sherburne, Meg McGurk, Lee Pavao, Nitin Khanna, Penny Rich, Mark Bell, Lee Storrow, Lydia Lavelle

**Not Present:** Annette Stone Lafferty, Steve Brantley, Allison Nichols-Clapper

**Staff attendance:** Laurie Paolicelli, Marlene Barbera, Allison Chambers

**Also present:** Lisa Ganzermiller and Amanda Marinelli, Steve Kelly and Beth Walters of Clean Design

**Call to Order**

Chair Rosemary Waldorf called the meeting to order at 8:10 am.

Introductions were given by all.

**Approval of Minutes**

Chair Waldorf requested a motion to approve the February 15, 2017 minutes. Lee Pavao so moved and George Cianciolo seconded. With all members in favor, the minutes were approved as submitted.

**Host Introduction**

Chair Waldorf introduced Mark Sherburne who shared with the board that the Rizzo Center and the Carolina Inn are operated by the same management group. The difference in the two properties is that the Inn is part of the real estate holding of the university, while the Rizzo Center is owned by the Kenan-Flagler Business School. In the past year the Rizzo Center has gone through some renovations, as well as increased in size. While they are located in Durham County they are on our map in regards to the market research being conducted by the Visitors Bureau Board. In conclusion he thanked the board for coming and introduced the Rizzo Center's General Manager, Brent Haste and Director of Sales, Nancy Lindemer. Mr. Haste reported that last year they added 66 guest rooms and 10,000 sq. ft. of meeting space. Tours of the facility will be offered after the meeting concludes at 9:30. Any charges incurred at the Rizzo Center associated with the university are not subject to sales or occupancy tax. They have begun to do transient business and last year sold 2,000 room nights. They share a director of revenue with the Carolina Inn. Eighty percent of their business is university related with some of the business schools offices located on the property. Laurie Paolicelli shared that the market research being conducted now is looking at the area of Chapel Hill, that includes the Rizzo Center, as a corridor for possible development of indoor sports facilities, and while the county collects no occupancy tax for this property, the county does see an economic impact through sales tax.

**Finance Report**

Finance Chair Penny Rich reported that the budget is on target. Fund Balance has been appropriated to pay for summer tourism advertising, particularly in the Charlotte area. She thanked George Cianciolo and the Town of Chapel Hill for the additional \$109,000 received per the annual performance agreement. The newly submitted 2017-18 budget request shows an increase in occupancy tax revenue of 5% based on last year's collection and the opening of two additional

hotels in the near future. The Visitors Bureau is looking at the demand for hotels in the county going forward. The County Manager is doing a five year budget, with the outlying years serving as a look forward. Mark Sherburne shared that the market is presently four thousand room nights behind where it was last year at this time, so he is wondering if we are considering only past numbers when setting our budget. Laurie Paolicelli shared that we are looking at staffing resources and marketing. Commissioner Rich asked if HB2 is to blame for the reduced room nights. Mr. Sherburne responded that while that is part of it, the other part is the lack of demand generators. A very good upcoming football schedule has translated into good sales this coming fall. Ms. Paolicelli reported that since 2012 room supply increased by 51,463 rooms in Orange County. During that same period room demand increased by 52,562 rooms. Occupancy rates were identical between 2014 and 2015 at 72.4%. Additional supply did not result in a reduction in overall occupancy. Was this an anomaly or did the type of supply generate new business? Nitin Khanna reminded the board that Durham has seen many new hotels and that we have lost some business to those properties. Ms. Paolicelli shared that the Bureau will devote fewer funds to promoting local events and focus more on promoting overnight stays, possibly in the medical market. New supply is going to require a shift in expenditures.

### **Guest/host speakers**

Laurie Paolicelli shared with the board some of the history that brought us to our present marketing philosophy within Orange County. In listening to the customer the bureau moved toward the Visit Chapel Hill brand with the commitment of the communities to work to bring them in once they are here. Our agency, Clean Design, attended the meeting to speak about how we are moving forward. They shared their current strategy, a media snapshot and talk about what is new. The target audience is the business explorer, smaller groups and meetings, and the leisure traveler. Psychographics are important to keep in mind as well. These travelers are more open minded and progressive and want to try new things. They are focusing on three groups from a paid media perspective: LGBT, Wedding and Local. Brand platform is internal and its focus is "the new progressive south". This is the lens through which Clean Design sees everything they do on our behalf. Our campaign has moved to more online digital than other platforms. Digital includes video, email, search, social, display and native. We have increased paid social media. Cvent has been especially successful. Video has begun to take more of our advertising dollars. Our campaign is robust, integrated and diverse. They have received a great response from our print ads in targeted publications, as well as with some exposure in some of their media partners such as "Out and About" with WRAL. They are treating TripAdvisor as if it is our own website, populating it with their content. They own their TripAdvisor page. Our campaign will be moving into TV advertising this summer. The task is two-fold: 1) increase overnight leisure travel during summer months, and 2) highlight Chapel Hill, Carrboro and Hillsborough offerings and what there is to do in each one during the summer. Their take on this task is to; position the area as an easy summer getaway; highlight the foodie, microbrewery, live music and art culture; speak to progressive-minded groups of women and couples; target the Charlotte market. The demo audience will be women 25-64. Charlotte has a large population of UNC alumni and so a high degree of familiarity and is far enough away to encourage an overnight stay. They will focus on one major market. Ms. Paolicelli reminded the board that in the summer of 2014 hotel room nights were up by more than one thousand rooms. This was an anomaly situation, but we find ourselves trying to keep up with that number. She continued by sharing that the ads for AI's and LGBT have been very positively received. That being said, we are all feeling the pain of new supply. We hope to move more into the search engine market.

## **Executive Directors Report**

There is a lot of focus right now on advertising, sales and new supply. At next month's meeting she will take the board through the budget and show where she is hoping to place sales staff, prospecting firms and advertising. The following month Conventions, Sports and Leisure will present preliminary results. She asked the board for direction on whether when we bring CSL back this needs to be a bigger meeting and conversation than just one board. She says that she was surprised to see that one of the areas of greatest demand for us would indoor sports facilities. Their recommendations are larger than the Visitors Bureau Boards jurisdiction. At present there is a big push to add indoor facilities at the Sportsplex. There are eighty-one pages of data in the phase one report and she would like the board's feedback on how to present it. Chair Waldorf asked if the report is finished, and Ms. Paolicelli responded that CSL would like to present their phase one findings to a group here who will give them more direction for completing the findings. George Cianciolo recommended getting on the towns radar sooner than later and bringing additional people into the discussion. Mayor Lavelle asked that the report be provided to those invited to the meeting ahead of time with sufficient time for review. Commissioner Rich reported that supply is not keeping up with demand at the sportsplex, which offers swimming and ice hockey. She would like to see John Stock included in any meeting as well as the town and county parks and recreation and economic development staff. Chair Waldorf suggested inviting elected officials, facilities specialists, as well as the High School Athletic Association.

## **Sales Report**

Marlene shared that we are exactly three months out from NATJA. The keynote speaker will be D.G. Martin. NATJA has been working directly with Michael Penny of the UNC School of Media and Journalism on professional development. The UNC March Madness luncheon will be held on March 16 at the Carolina Club. Twelve venues have agreed to participate in promoting local opportunities to UNC meeting planners, showcasing Orange County and the Buy Local theme. She will attend a Conventions South meeting in Roanoke next week and will have thirty one on one meetings with planners.

## **New Business/Roundtable**

Chair Waldorf acknowledged all for updates in their respective fields:

Tina Fuller reported on a new video project we are developing called A Slice of Orange. Videos are being shot around the County hosted by Lee Storrow and will be posted on the Visitors Bureau website and our Facebook page.

Nitan Khanna thanked the board for having him as a member and announced that he will be leaving the Sheraton to build a new hotel in Savannah, GA.

Kayla Austin announced that on March 11 the state basketball championships will be held at the Smith Center.

Lee Storrow reported on his trip to the LGBT Tourism Conference in Las Vegas in December, which he attended on behalf of the Visitors Bureau. A representative of the Raleigh CVB gave a talk about HB2 and graciously acknowledged Orange County being a leader on this topic. Four writers have followed up with Laurie and would like to visit and do stories as a result of Lee attending this conference.

George Cianciolo announced that Wegman's has closed on the purchase of Performance Auto Center and have submitted their special use application. A special use application has also been submitted to build three hundred apartments of the site of Crown Honda.

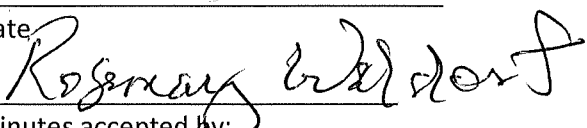
Mayor Lavelle announced, to great applause, that the old bank building at 201 N. Greensboro St. is in the progress of being torn down. She asked people to eat and shop local in the aftermath of the OWASA shutdown, the ice storm and hurricane Matthew last fall.

A conversation ensued as a follow-up to the water outage. Members shared reports from the OWASA meetings they attended.

We will meet next month at the Hampton Inn in Carrboro.

Meeting Adjourned at 9:39 am.

 3/15/17  
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Minutes reviewed by:  
Laurie Paolicelli, Executive Director

Date \_\_\_\_\_  
  
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Minutes accepted by:  
Rosemary Waldorf, Chairman  
3-15-17  
\_\_\_\_\_  
Date