

Approved February 15, 2017

MINUTES
Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting
January 18, 2017

The Chapel Hill/Orange County Visitors Bureau met at
Orange County Solid Waste, 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, Annette Stone, Meg McGurk, Lee Pavao, Nitin Khanna,

Not Present: Allison Nichols-Clapper, Penny Rich, Mark Bell, Lee Storrow

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

Also present: Stephanie Brown, Asheville CVB, Tom Stevens, Mayor of Hillsborough, Muriel Williman, OC Solid Waste, Roger Stancil, Chapel Hill Town Manager, Kristi Kaas, Hyatt Place Hotel

Call to Order

Chair Rosemary Waldorf called the meeting to order at 8:08 am.

Introductions were given by all.

Approval of Minutes

Chair Waldorf requested a motion to approve the November 16, 2016 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 Muriel Williman from Orange County Solid Waste Recycling who shared information about the recycled components of the building that we were meeting in which include a water reclamation system and solar water heating. She reminded the board that there are recycling bins on public streets in all three municipalities and thanked the town officials present for making that possible.

Finance Report

As Finance Chair Penny Rich was unable to join us, Chair Waldorf gave the finance report. We were expecting a 7% increase in occupancy tax this year, which to date has not be the case, as we are presently almost flat from last year. That being said, we have accumulated available fund balance and the executive committee has recommended using \$250,000 in fund balance to fund a spring/summer tourism media campaign with Clean Design that will include TV spots to address HB2 fallout. This recommendation comes as an expression of the need to spend down that fund balance, and the need to promote the county in the shoulder season with this strong marketing blitz. Chair Waldorf called for a motion and Mark Sherburne so moved with Lee Pavao seconding. The motion passed unanimously.

New Business

Roger Stancil shared with the board that the British Consul has recently visited Chapel Hill as he establishes an official presence in the Triangle and based on their conversation it is clear the HB2 is a powerful international issue. Stancil reported that he will put them in touch with Paolicelli. Visitor, Stephanie Brown, who serves on a state committee to study HB2. She shared that NC is on travel bans from 20 cities and states and the British have ordered a security alert to their citizens. A group of travel leaders have met with the seven big travel associations to ask them to act on the part of

their members as it relates to the “weaponization” of travel through boycott. Destination Marketing Association International (DMAI) and US Travel have made a commitment to fund a communications strategy and work with governors and legislatures that have these bans in place. Twenty-three states have federal court issues with LGBTQ rights. NC is not unique in “bathroom bills.”

Laurie Paolicelli asked Mark Sherburne to speak about the trends in the market. Looking forward from about the time HB2 was passed and Huron completed their work at UNC you could see the market softening and cracks beginning in the system. April and October should be by far the busiest months of the year and in 2016 they were not. To increase market share a hotel will lower their rates and then everyone else must follow suit. This past October hotels were charging shoulder rates and some of this has improved post-election as people seemed uneasy during that period. He shared that looking into the future, occupancy seems to be growing but rates are not.

Chair Waldorf introduced Kristi Kais, Sales Manager for the Hyatt Place which will open this spring.

Chair Waldorf recognized Andrew Strickland who has recently moved from the Residence Inn to the new AC Marriott, opening in mid-October 2017. Modular rooms will be built in PA and shipped here two at a time. It is a new Marriott lifestyle product incorporating 123 rooms and lots of communal space.

Guest/host speakers

Laurie Paolicelli introduced Stephanie Brown from the Asheville/Buncombe CVB who reported that they have a staff of twenty-five and a budget of \$14.5 million. They were established in 1983 by state legislation to administer the occupancy tax and are mandated to generate room nights; creating a sustainable investment to grow the tourism economy. Their board is comprised of 9 members appointed by the City, County and Chamber of Commerce with Buncombe County being the fiscal agent and focus being on destination promotion. Their occupancy tax is 6% with $\frac{3}{4}$ of that dedicated to sales and marketing and $\frac{1}{4}$ for Tourism Product Development, which they accomplish through grant awards. They have experienced a 17.6% increase in taxable lodging sales in the last ten years. Eighty-three percent of the lodging revenue comes from Hotel/Motel with the remainder coming from vacation rentals and B&Bs. As a result of their PR and marketing endeavors they have had 746 targeted pitches, 204 media site visits and 3.8 billion impressions. Their video assets have experienced 6 million views. Their new website ExploreAsheville.com has 120 pieces of new content, 100 navigation pages, 4 million user sessions and 72% new site visits. Their most recent expansion markets being: Washington DC metro, Florida – Jacksonville, Orlando, Tampa, West Palm Beach and Miami. Broadcast focus is on networks that reach at least 10% of the target which provides brand-suitable alignment. Print advertising is in premium national titles that reach an upscale, travel-minded audience via a blend of travel and lifestyle content layered with regional buys that reach travel intenders such as *Garden & Gun*, *Traveler*, *Our State*, *Atlanta Magazine*, *National Geographic Traveler* and *Travel + Leisure*. One of their focuses is on establishing Asheville as a top music town. New on their music website is: explore Asheville radio, comprehensive live music calendar, streaming video with IMAVL and editorial content and an advertising campaign targeting music enthusiasts, music culture PR and content push and music sizzle radio. A tourism market development fund was established in 2001 which established a committee to evaluate applications and recommend projects to the BCTDA for funding. This grant program provides a funding stream for capital development projects what will significantly increase patronage of lodging facilities in Buncombe County. TPDF has awarded \$27 million to 32 projects since the fund’s inception. George Cianciolo asked about the success rate they have experience after making 32 grants totaling \$27 million for tourism market development and she replied that, overall yes, and somethings have added value in a less conventional manner and have added things to do that ultimately enhance a visitor’s experience and create assets a small business can use.

Executive Directors Report

Laurie Paolicelli shared that while we are Asheville in miniature with a staff of 6, a budget of \$1.5 million and 1600 hotel rooms our principle and our growth have been the same. Our budget has doubled in the past 10 years; we have launched a new website, promoted new advertising and added television ads. We are presently running a \$25,000 LGBT ad in *Garden & Gun*. Our advertising budget is presently \$500,000 and we plan to grow that. She thanked Stephanie for reminding us all that tourism growth is a strong return on investment.

Ms. Paolicelli stated that we have hired CSL Market Research to do a study on demand generators in Orange County. We will receive the preliminary results of that study later today and will present those findings to the board in March. With the boards blessing we will use drawn down fund balance to produce television ads and our team from Clean Design will be here next month to report on that. An analysis committee has been put together to look at what would happen if we took some of the anomalies out of hotel occupancy such as Huron, Epic and Lux. Would the market have remained flat or actually grown? They are studying this a) to make the case for marketing, but b) to provide our elected officials with information on what kind of properties we will need in the future, there by letting the market make decisions. She also reported that she had attended a very preliminary meeting about the Old Town Hall renovation and future use.

Sales Report

Marlene shared that representatives from NATJA will be here at the beginning of March to finalize plans for the conference. She will be holding a luncheon for UNC meeting planners during March Madness as there has been hotels added and planner turnover at UNC since the last time she held the event. The visitors' bureau services will also be promoted at the luncheon.

New Business/Roundtable

Chair Waldorf acknowledged all for updates in their respective fields:

Meg McGurk of the Downtown Partnership reported that they will have their annual meeting January 20 at DSI Comedy Theater. They will be announcing an exciting new partnership they are entering into with a downtown non-profit. Shimmer, the Art of Light will be held for the second Friday Art Walk. There will be a series of economic development meetings regarding the future of West Rosemary St.

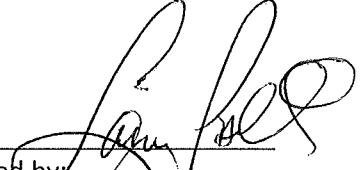
Annette Stone will be reporting to her board in Carrboro next week on economic development there. They rely on the Visitors Bureau to bring tourists into Orange County and then they bring them to Carrboro through their advertising efforts once they get here.

Shannan Campbell reported that the bi-annual garden tour will happen this spring. The Hillsborough Chamber of Commerce will hold their annual meeting next week. The Orange County Museum is opening a Horace Johnson exhibit and will host an opening event.

Katie Murray shared that the Orange County Arts Commission is presently in a period of transition. The board is looking at the direction they are going in to plan the best way to support local artists going forward. They will have assistance from local artists through focus groups. They have just completed a yearlong survey and will have those results in March.

We will meet next month at the Rizzo Center in Chapel Hill. This is a correction from the site announced at the end of the meeting.

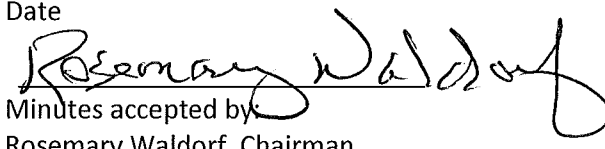
Meeting Adjourned at 9:30 am.



Minutes reviewed by:
Laurie Paolicelli, Executive Director

2-15-17

Date



Minutes accepted by:
Rosemary Waldorf, Chairman

Feb. 15, 2017
Date