

Approved February 17, 2016

MINUTES

Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting January 20, 2016

The Chapel Hill/Orange County Visitors Bureau met at
North Carolina High School Athletic Association, Chapel Hill

Board Members Present: Anthony Carey, Debbie Hepp, Karen DeHart, Lee Pavao, Mark Bell, Rosemary Waldorf, Penny Rich, Aaron Bachenheimer, Meg McGurk, Annette Stone, Lee Storrow, Mark Sherburne, George Cianciolo, Jeffrey Strickler, Andrew Strickland, Mike Gering, Shannan Campbell

Not Present: Libbie Hough, Nitin Khanna, Jill McCullough

Staff attendance: Laurie Paolicelli, Marlene Barbera, Allison Chambers

Also present: Robert Seymour, Alan Rimer, John Coleman, Que Tucker, Rick Strunk, Travis Myren

Call to Order

Chairman Anthony Carey called the meeting to order at 8:07 am.

Introductions were given by all.

Approval of Minutes

Mr. Carey requested a motion to approve the November 15, 2015 minutes. Lee Pavao so moved, Penny Rich seconded. With all members in favor, the minutes were approved as submitted.

Guest/host speakers

Commissioner of the North Carolina High School Athletic Association welcomed the board to their facility. They renovated the building in June of 2014. The building was completely gutted. They have been back in the building since April 2015. Their mission is to govern High School Athletics in the state providing leadership to those programs. They have 405 members. Every four years they realign their conferences and they are involved in doing that at this time. They are always involved in monitoring sportsmanship and stressing its importance. Health and Safety are also a major focus of their organization. They monitor concussions, limit practices, limit contact and call for reconditioned helmets every four years. A part-time health and safety consultant was hired this past September. The association also follows trends in academic achievement of student athletes in the state's high schools. Men's and women's high school basketball tournaments will be held here in Chapel Hill. Chair Carey thanked a retiring Rick Strunk for his service over the years to this board. Chair Carey recognized Deputy County Manager Travis Myren who was in attendance. Reverend Robert Seymour and Alan Rimer were in attendance to present a partnership opportunity to the board. Reverend Seymour proposed a centrally located Visitors Bureau and museum to be located in the old Town Hall. He stated that we cherish our history in this community but have not sufficiently shared it with the rest of the state. The old Town Hall is not yet vacant and the IFC is serving seventy-five meals a day from the Community Kitchen located there. It is hoped that all of the IFC services can move to the Douglas Building in Carrboro under one roof. He feels that a more central location of the Visitors Bureau will bring in more visitors. He would like to challenge the University to become involved in this project. Included in the museum should be important research done at the University and notable Alumni. He feels this project will share the positive aspects of our community which includes the University. It is his hope that Alan Rimer will head up the project. Mr. Rimer proposes putting together a group to see what needs to be done to make this happen, including talks with the University. They would like to put a plan together and come back

to the Visitors Bureau Board to see if they would be able to endorse it. He anticipates having that done within the next two to three months. Laurie Paolicelli offered that it would be easier for visitors to find the Visitors Bureau if it were more centrally located and that many of our visitors are looking for a sense of local history. John Coleman of OTO Developers joined the board to provide an update on the new Marriott AC Hotel that has been approved by the Chapel Hill Town Council for the northeast corner of Rosemary St. at Church St. They anticipate 14-15 months of construction. The hotel will have 123 rooms and two levels of below grade parking. It will feature European style breakfast and small plates and bar offerings in the evening with the idea of leaving the hotel for nearby restaurants. They will develop/own/operate the hotel. OTO Developers will do as much hiring locally, including hiring from the Northside neighborhood as possible. The expected completion date is September 2017.

Board Nominations

Chair Carey invited Laurie Paolicelli to introduce the new board nominations for this coming term. They include Andrew Strickland, representing the Orange County Lodging Association; Jeffery Strickler for the Alliance for Historic Hillsborough; Rosemary Waldorf has agreed to serve as chair; Lee Pavou will serve as vice-chair. Mark Bell moved and Penny Rich seconded the nominations.

Executive Directors Report

Laurie Paolicelli recognized outgoing board members prior to beginning the Executive Directors Report. Mike Gering is leaving the board after six years of service. He has been a great voice for Hillsborough and the Chamber as well as the Alliance for Historic Hillsborough. She invited Rick Strunk to join today's meeting as one of the original architects and founding member of the Visitors Bureau Board. He is retiring after a long career with the NC High School Athletic Association. Ms. Paolicelli expressed her appreciation to outgoing chair Anthony Carey and mentioned the highlights of the six years he has represented the Orange County Lodging Association on the board. Ms. Paolicelli recognized Libbie Hough who is also leaving the board and expressed her appreciation in Libbie's absence. All departing board members were presented a framed proclamation in gratitude for their service.

A RFP has been issued to study the feasibility of a conference center in Orange County. Four responses have been received nationally, two from Chicago and one each from Orlando and Minneapolis. Prices for the study range from \$55,000 to \$125,000. She has provided a link to the proposals online.

Laurie Paolicelli advised the board that Commissioner Rich has petitioned the Visitors Bureau to give a report on AIRBNB to the Board of County Commissioners. She shared some highlights from that report as follows; there are currently 263 Orange County dwellings on AIRBNB, 123 entire home rentals, 140 private room rentals. They use the average daily rate of \$83, so at 60% occupancy, 158 rooms booked per day yields \$13,000 per day in revenue. This translates into \$4.7 million in revenue per year, subject to 6% occupancy tax, with yields \$287,000, and 7.5% sales tax of \$358,000 or \$646,191 combined. Compliance is an issue that will be discussed at a County Commissioners meeting in the near future. Ms. Paolicelli will report back to the board on that meeting.

Budget Update

Penny Rich, Finance Chair, stated that she will be meeting with Laurie Paolicelli before the next meeting to discuss the upcoming budget process. She shared that the fund balance is still high and would like to look at some ways, going forward, to spend that down. Laurie Paolicelli will provide budget information prior to the next meeting so that the board is prepared to review this year's budget and discuss the 2016-17 budget. Penny Rich would also like to review what the Visitors Bureau is paying for the maintenance of the building.

Sales Report

Marlene Barbera reported that since the last board meeting in November she has had a productive Director of Sales meeting with local hoteliers. Cyndi Golden is officially on board. December was mostly a training month as she and Marlene conducted on sight tours of all the local hotels and unique venues. As of this meeting nothing has come to fruition, but she has several leads. Marlene has been approached by a baseball league that is interested in bringing league play to Orange County. She has met with the superintendent of the Chapel Hill-Carrboro City Schools to gauge their interest in this program. The superintendent was not interested given the compensation formula of the league. The superintendent felt that this would be a change in policy for those interested in using school facilities. The board wondered if this is something that the Visitors Bureau could sponsor. Marlene has set a meeting with the Friday Center staff to encourage them to lean more on the Visitors Bureau staff when arranging events to keep those attendees in Orange County hotel rooms. Marlene produced rack cards to place at venues for people to receive when they have booked that venue that will lead them to her to help them locate hotel rooms. She shared stats on Cvent to bring the board up to date on the return on the investment. From July 2014 to June 2015 ten leads were generated. From July 2015 to December 2015, after we began advertising with cvent, thirty-three leads were generated.

New Business/Roundtable

Chairman Carey acknowledged all for updates in their respective fields:

Chairman Carey recognized Karen DeHart who reported that the 3A and 4A high school football championships were hosted in Keenan Stadium. Eight Thousand people attended with three of the schools coming from out of town. They are hosting the basketball press conference on March 7 at the Sheraton. Championships will be on March 12 on the UNC Campus and this will bring in twelve teams plus sixteen thousand attendees.

Shannan Campbell reported that Bonafide Sandwich is getting close to opening in Hillsborough. The Cloth Mill has opened and she is working with them to get better signage. The tourism board is working on revamping their funding structure to contract for services rather than awarding grants. Looking forward to working with Hillsborough's two tourism boards to move forward with spending down their fund balances.

Chair Carey recognized Meg McGurk who announced the kick-off for the 5th cohort, and that the downtown partnership is ready to release "downtown strategy". They are partnering with the Chamber to do a new event called Facetime, which is a networking event. Carolina Square will be complete in the fall of 2017.

Chair Carey recognized Debbie Hepp who reported on the Shimmer event which will take place February 12, outside, in downtown Chapel Hill and Carrboro. The Arts Council is getting ready to start their market research interviews. The Arts Councils hopes this research will lead to more grants applications.

Annette Stone shared that there will be a public hearing on the January 26 agenda to consider a Hilton Garden Inn. A Honey Bee mural will be painted on the side of Carrboro Fire Station #1 this spring by Matthew Willey to bring attention to the decline of the Honey Bee population. Southern Rail has closed.

Laurie Paolicelli asked for a round of applause for Chair Anthony Carey.

Chair Carey adjourned the meeting at 9:25

Minutes reviewed by:
Laurie Paolicelli, Executive Director

Date

Minutes accepted by:
Rosemary Waldorf, Chairman

Date