

Approved November 15, 2017

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

The Chapel Hill/Orange County Visitors Bureau met at
UNC Health Care, 430 Waterstone Dr., Hillsborough, NC

Board Members Present: Kayla Dempsey, Aaron Bachenheimer, Penny Rich, Lydia Lavelle, Jeffery Strickler-Vice Chair, Mark Bell, Annette Lafferty, Tim Hoke, Anthony Carey, Lee Storrow, Rosemary Waldorf-Chair, David Brooks, Shannan Campbell

Not Present: Andrew Strickland, George Cianciolo, Mark Sherburne, Meg McGurk

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

Also present: Kristi Kaas of Hyatt Place, Chapel Hill, Robert Zimmerman of the Sheraton, Chapel Hill, Sam Henry of MedStay and DR Bryan of Bryan Properties

Call to Order

Chair Rosemary Waldorf called the meeting to order at 8:06 am.

Introductions were given by all.

Approval of Minutes

Chair Waldorf requested a motion to approve the September 20, 2017 minutes. Penny Rich so moved and Mark Bell seconded. With all members in favor, the minutes were approved as submitted.

Finance Report

Finance Chair Penny Rich reported that the budget is on target at this time. We report two months behind in regards to occupancy tax and while occupancy is slightly down, rates are not. The budget for 2017-18 is \$1.5 million, but we are seeing some increases in what we have to spend. The Bureau is moving more toward online advertising and this is going to be more expensive. The greatest part of the budget is in advertising and is paid to our advertising agency. We will soon begin working with a new agency, FleishmanHillard . Our contract with them will be around \$400,000 and they will be at next month's board meeting to make a presentation. They are contacting every board member to get a feel for how each board member sees how we move forward. Available fund balance is currently \$288,055. The Visitors Bureau has recently wrapped a bus that is driving the streets of Chapel Hill/Carrboro.

Host Introduction

Laurie Paolicelli asked our host and vice chair, who represents the Alliance for Historic Hillsborough on the board, Jeff Strickler, to tell the board what is going on in health care, with health care being a top three driver of demand in the hotel industry. Jeff shared examples of the high-end medical research that is being done at UNC Health Care. Ms. Paolicelli sent the board a video clip from *60 Minutes* about the use of Artificial Intelligence at UNC Health Care. Medicine has reached a point of being able to use precision medicine, tailoring treatment and medication very specific to the individual. Eye level research is being done in Chapel Hill. The community has had two Nobel Prize winners in the last decade. All this makes our place somewhere to be proud of, and a national destination. This research is expensive and there are more losers than winners. There are three significant health care crises in the country now; those that are disadvantage and don't have access to care; those in our society that have behavioral and psychological issues which

is an incredible burden on every hospital in the United States; and finally the Opioid crises. North Carolina has two of the top ten worst communities in the U.S. for Opioid addiction. UNC Health Care receives no funding from the State Government and has not for the last decade. Some research money comes through the University from the state, but very little. Most research is funded by grants. Jeff Strickler reminded the board that the consumers the hospital serves are not the ones bringing in tourism dollars as they are at a place in life where they are looking for the lowest cost. He feels our future is in group and association meetings, but that we need to make them aware of us.

Guest Report

Laurie Paolicelli introduced Sam Henry of MedStay, the hotel broker for hospital guests. MedStay is contracted with UNC Health Care to help patients, and their families, book hotels in Orange County. Their tagline is "health care begins before you enter a health care facility". People travel from all over the country to UNC Hospitals. MedStay's first concern is safety and taking the stress off families and patients. Their service helps families/patients find the amenities they need such as breakfast and shuttle. As an example they have arranged a competitive price with the Sheraton that includes breakfast, which is not the standard at that hotel and they provide excellent shuttle service. They will bring in two UNC Schools of Business interns in Spring 2018 to help them better market Orange County. They will also add an interactive map to see restaurants and attractions. The bulk of their business is two or three days. Sam would like to be more involved with the Visitors Bureau. Rosemary Waldorf said that the Bureau would like to work with him to keep these overnight stays in Orange County rather than moving to Durham County. Sam anticipates that the interactive map will help steer guests to our local hotels since they will be able to see where they are. They are also going to post videos of local hotels.

Sales Report

Marlene reported that she is working on blitzes on both NCCU and Duke campuses based on the success of the March Madness Event she held last spring at UNC. She is also setting up a Director of Sales meeting since many of those positions have new faces. She feels that if we want to have Duke planners book in Orange County we need to give them a reason to do that. She attended a small markets meeting in South Bend, IN and met with ten planners she has met before and feels this is especially helpful in building a report. She is following up on the RFPs she received in Indiana. Her sales trip to Miami was delayed until December due to the hurricane. The Bureau has purchased a Travel Click report that shows demand and trends year after year in Orange County and has also purchased one with a comp set for Durham County for comparison data. That is a weekly report. She will be sending these reports out to Hotel Managers. She has had the NATJA video edited down to use in ads promoting "y'all means everyone".

Executive Directors Report

Laurie Paolicelli led off her report by offering the floor to Anthony Carey who had asked Commissioner Rich to look into health department regulations on AirBNB and she reported that they have none. When asked about tax collection she reported that Dwane Brinson will soon attend one of our board meetings and speak about this. Ms. Paolicelli stated that AirBNBs are operating legally in NC. Orange County is tracking and collecting occupancy tax from AirBNB. We have contracted with a company named, Air DNA, to track Airbnb supply in Orange County and AirDNA will be at our January board meeting to update the hospitality community on the growth and regulation of Airbnb. She will distribute a monthly report, weekday vs. weekend and in the zip code. The STR forecast seems to be good news. We are looking for a slight hike in revenue due to new supply in 2018. The Visitors Center continues to be busy with the staffs focus on sales. We are still in contract negotiations with FleishmanHillard. FleishmanHillard is contacting all board members and she has asked not to be copied on those emails. This is an opportunity for the board to share what they are looking for in the brands future. She sees a shortcoming in the fact that the Bureau offers no history tours and wonders if we

should hire a preservationist to put together history tours. Laurie Paolicelli stated, " Hillsborough does a terrific job with the Alliance and Tourism Board. Yet the southern part of the county struggles because there are no paid staff with Preservation Chapel Hill or the Historical Society. We get countless requests for historical tours and information and we cannot meet these requests. Jeff, Shannan, Aaron Bachenheimer and Lydia all offered to serve on a committee to look at possible scenarios that do not involve new staff. The post, CSL meeting is scheduled for Monday, November 20, at Carrboro Hampton Inn. A nominating committee was appointed and includes Commissioner Penny Rich; Jeff Strickler; Rosemary Waldorf and Anthony Carey.

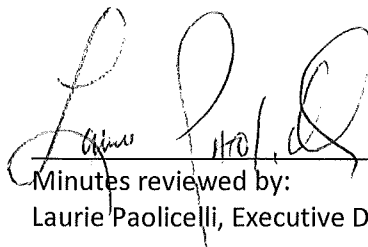
New Business/Roundtable

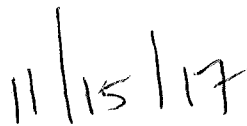
Chair Waldorf acknowledged all for updates in their respective fields:

- David Brooks reported that the Hillsborough Chamber of Commerce is encouraging business in downtown to open on Sundays. Duke won the annual alumni polo match this year.
- Kayla Dempsey report that the Football Championships for 2A and 2AA will be at Kenan Stadium on December 9th. They will hold a press conference before the event and hoteliers will be invited.
- Tim Hoke thanked all who came to the State of the Arts announcement. The arts commission has prepared a map that is being distributed in the county and it is available on the website as well. The Plein Air Paint-out will begin October 25th with the wet paint sale held Friday, October 27 at 6 pm at the Hillsborough Arts Council.
- Shannan Campbell shared that The Bee Hotel will open on November 4 at Gold Park. The River Park Concert will be held October 21st. Ayr Mount's Scottish Festival and Weaver St. wine show will also be held on the 21st. Hillsborough's sidewalk project is almost complete. Sunday's in Hillsborough continues.
- Aaron Bachinheimer shared that people on campus are excited about the capital campaign and alumni tours around the country will start soon. The general feeling on campus is that people are glad to have the NCAA investigation behind them and ready to move forward in a positive way and the campaign is a part of that.
- Penny Rich reported Orange County will soon complete a comprehensive trails map for hiking.
- Annette Lafferty reminded the board that the West End Poetry Festival is being held October 18, 19, 20 and 21. Last weekend was the Second Friday Art Walk . There is still art for sale at Town Hall and all proceeds go to the Triangle Land Conservancy. TeraVITA starts this Thursday night.

We will meet next month at the North Carolina Botanical Gardens in Chapel Hill.

Meeting Adjourned at 9:31 am.


Minutes reviewed by:
Laurie Paolicelli, Executive Director


Date

Rosemary Waldorf

Minutes accepted by:

Rosemary Waldorf, Chairman

11-15-17

Date