

Approved October 18, 2017

**MINUTES**  
**Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting**  
**September 20, 2017**

The Chapel Hill/Orange County Visitors Bureau met at  
The Residence Inn, 101 Erwin Road, Chapel Hill

**Board Members Present:** Kayla Dempsey, Aaron Bachenheimer, Meg McGurk, Penny Rich, Lydia Lavelle, Jeffery Strickler-Vice Chair, Mark Bell, Mark Sherburne, George Cianciolo, Andrew Strickland, Annette Lafferty, Tim Hoke, Anthony Carey, Lee Storrow, Rosemary Waldorf-Chair, David Brooks

**Not Present:** Shannon Campbell

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

**Also present:** Manish Atma, Hotelier; Bill Krueger, Conventions, Sports and Leisure; Dwight Bassett, Economic Development, and Town of Chapel Hill

**Call to Order**

Chair Rosemary Waldorf called the meeting to order at 8:05 am.

Introductions were given by all.

**Approval of Minutes**

Chair Waldorf requested a motion to approve the August 16, 2017 minutes. Lydia Lavelle so moved and George Cianciolo seconded. With all members in favor, the minutes were approved as submitted.

**Host Introduction**

Jill Rheutan, Assistant General Manager of the Residence Inn, Chapel Hill welcomed the board. Jill shared that the hotel was remodeled a year ago and reminded the board that they are an extended stay hotel which is set up like an apartment complete with a kitchen.

**Finance Report**

Finance Chair Penny Rich reported that the budget is overall uneventful at this time. The greatest part of the budget is in advertising and is paid to our agency, that being said we are in the process of hiring a new agency and Jeff Strickler will report on this later. Occupancy rate was down in August. Anthony Carey reported that this year more students moved in before the traditional weekend move in date and this reduced the number of stays overall. Aaron Bachenheimer stated that this is not a significant change over last year as every year more and more students are moving in early for a variety of reasons and this is a trend rather than a policy of procedural shift. Carey said that in the past it was very predictable, accommodating families for a Friday or Saturday move in, but now it has become very spread out. Penny Rich continued by reporting that we have cut back on some local advertising and this is all part of identifying a new ad agency focusing on mid-week national business. She further stated that while local events support our local culture they also do not bring in overnight guests and we are trying to focus more on midweek occupancy.

## **Advertising Agency Selection Process**

Jeff Strickler Co-Chair reported on the progress of the search. Although we have been pleased with Clean Design's work we are required to go out for a RFP every five years. Clean Design chose to submit a written proposal and not to give an onsite proposal to the committee, as a result the committee decided to look at other agencies. As a result of the RFP twenty proposals were received. Initially three agencies were invited to present and based on that round of presentations three more agencies were invited to do the same. From those presentations several trends emerged: a focus on a digital strategy, giving us maximum exposure for the resources we are putting out was the most apparent. After receiving proposals from six agencies FleishmanHillard Inc stood out from the rest. The recommendation of the committee who reviewed the agencies: Rosemary Waldorf, Jeff Strickler, Penny Rich, Mark Sherburne, Anthony Carey, Lee Storrow and Laurie Paolicelli recommend hiring FleishmanHillard . Anthony Carey reminded the board that we should hold the new agency accountable for reporting analytics to the board quarterly in response to the mission to support hotels. Rosemary Waldorf stated that we have very specific goals to communicate to FleishmanHillard. The contract will be renewable each year. Anthony Carey made the motion to enter into a contract with FleishmanHillard and Mark Sherburne seconded the motion. Vote to approve was unanimous.

## **Guest Report**

Bill Krueger of Conventions, Sports and Leisure delivered their Summary of Phase 2 Findings to the board. This phase of the market research study focuses on return on investment. The scope of the study has been to investigate the production of new product to drive new tourism, hotel room nights and economic impact in Orange County. Facility types investigated include: convention facilities, hotel/conference facilities; multipurpose event facilities; outdoor sports facilities and other assembly/event facilities. Market demand conclusions included: convention, conferences and meetings; indoor court sports tournaments/competitions; triangle field tournaments; rectangle field tournaments. Two scenarios were identified for cost/benefit analysis. Scenario 1: Indoor amateur sports facility and Scenario 2: Hotel and Conference Center. Mr. Kruger provided a cost/benefit analysis for each scenario. He recommends leveraging the UNC brand, so any sports facility would need to be near the campus. It is difficult to pinpoint where this should go since there is little large tracts of land available near the University. Net new room nights generated by Scenario 1 is 24,959. The challenge that comes with pursuing Scenario 2 is that Orange County already has several full service hotels and is not looking to build another. Scenario 1 is clearly the choice to increase both tourism and hotel room night bookings. Net new room nights generated in Scenario 2 that would go to existing hotels is projected to be 9,703. The Benefit to Cost Ratio for Stabilized Year in Scenario 1 is 12.79 and 10 Year Total is 14.21. In Scenario 2 the Stabilized Year is 8.92 and the 10 Year Total is 11.86. The higher the ratio the better and you want it to be in the double digits. He felt like coming out of Phase I of the report that the Indoor Amateur Sports Facility was the better option and in Phase II the numbers support that hypothesis. The board requested that CSL include findings associated with outdoor fields be included in their final report. The Chair asked for volunteers from the board to form a subgroup in order to look at these scenarios further. Annette Lafferty, Rosemary Waldorf, Dwight Bassett, Steve Brantley, Tim Hoke, Mark Sherburne, David Brooks, Kayla Dempsey, Anthony Carey, Mark Bell, and Manish Atma will serve. Marlene Barbera, staff.

## Executive Directors Report

Laurie Paolicelli, Patty Griffin and Tina Fuller recently attend the NCTIA Leadership Conference in Charlotte, where the Visitors Bureau won several marketing awards. The trend right now in CVBs is User Generated Content and you will see a huge shift in the Visitors Bureau going in that direction. From a staffing and budget standpoint everything is fine, with Rob Stern working contract business with Marlene. This last month has been spent largely identifying the new ad agency. Marlene Barbera reported that she travelled to the Connect Trade Show in New Orleans, LA., where she met with thirty-five meeting planners and is now following up with those contacts and RFPs. Next week she goes to South Bend, IN for another tradeshow where she will have twenty-five appointments, some of which will be with planners who have asked to meet with Orange County specifically. The Genetic Society of America recently cancelled a planned conference at the Friday Center that would have used several hotels in Chapel Hill. They felt that too many of their members would not attend because of continued concerns associated with HB2.

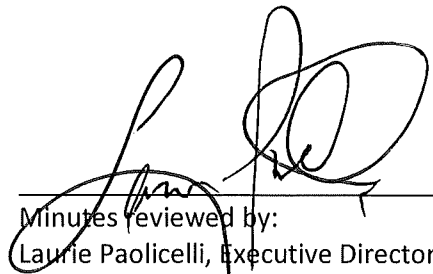
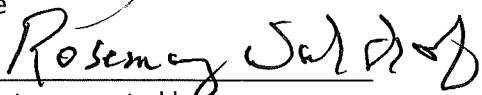
## New Business/Roundtable

Chair Waldorf acknowledged all for updates in their respective fields:

- Kayla Dempsey shared with the board that their longtime Executive Director, Charlie Adams, has passed away unexpectedly having served twenty-five years with the NCHSAA. His memorial will be October 1 at University Baptist Church.
- Annette Lafferty reported that the Carrboro Music Festival will be held the weekend of September 23-24, they are expecting 10,000 people. Carrboro continues to be in planning discussions about 203 South Greensboro, which is the building that the town is building with the Orange County Library.
- Aaron Bachenheimer shared that a good number of students were not able to move in to their apartments at Carolina Square and was wondering if hotels saw any affect from this and they did not. The University is planning to build a new Student Union and a Student Recreation Facility, but is in a holding pattern because of the legislature's cap on student fees.
- Meg McGurk thanked the Visitors Bureau for their part in some very positive media coverage of Chapel Hill in the last month. The Cycle NC Mountains to Coast Ride arrives in Chapel Hill on October 3 with 1200 participants. Hosted by Chapel Hill Parks & Rec, half are staying in hotels with the other half camping at Homestead Park. Festifall is October 1.
- Mark Bell reported that Hillsborough recently hosted a bluegrass festival at Moorefields, Hog Day and a 5K. A concert series will begin on September 24. They are launching a Historic Pub Crawl and the Halloween Spirits Tour. The Webb House B&B has RE-opened in Hillsborough.
- George Cianciolo reported that the Chapel Hill Town Council has held their first public hearing regarding Wegman's. Orange County EMS has asked that the Council ban the use of drones over public events.
- Katie Murray shared that the Arts Council will host the State of the Arts Orange County and NC at the ArtsCenter on October 5 at 5:30.
- David Brooks reported that the Polo Club was recently featured in the Tar Hill Traveler on WRAL. They have a series of tailgate matches coming up.

We will meet next month at UNC Health Care in Hillsborough.

Meeting Adjourned at 9:41 am.

  
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Minutes reviewed by:  
Laurie Paolicelli, Executive Director  
10-18-17  
Date  
  
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Minutes accepted by:  
Rosemary Waldorf, Chairman  
10-18-17  
Date