

**RICHMOND REGION TOURISM
BOARD OF DIRECTORS' MEETING MINUTES
JANUARY 18, 2024
CoSTAR GROUP
12:30 P.M.**

I. CALL TO ORDER:

Chair Sims called the meeting to order and led the pledge of allegiance to the flag of the United States of America. A moment of silence was taken to honor the memory of late board member, Ms. Patricia Paige, of New Kent County.

II. WELCOME:

- A. Chair Sims announced that Jack Berry, President & CEO, could not be with us today due to a family health issue. Chair Sims welcomed Mr. Lincoln Saunders, Chief Administrative Officer for the City of Richmond. Mr. Saunders thanked the board for the invitation to bring greetings in the absence of Mayor Stoney. Mr. Saunders shared his excitement for tourism's momentum in the Richmond region. The past several years has shown record-setting growth, exceeding pre-pandemic levels. The City of Richmond is seeing revenues above its committed budget to the Greater Richmond Region Convention Center.

The Greater Richmond Convention Center Authority (GRCCA) and the City of Richmond are partnering to build a headquarter hotel in the City Center. The project will create many new opportunities for the convention center's utilization, leading to greater economic impact to benefit the region. Mr. Saunders shared that construction has begun on the new Richmond amphitheater, a 7,500-person capacity event venue overlooking the James River. The amphitheater is expected to open in 2026, with a groundbreaking ceremony scheduled for January 24, 2024, at 11 AM. The city has recently bought Mayo Island, with plans to restore public green spaces and add amenities allowing patrons to explore the riverfront. Richmond's Diamond District looks forward to a new baseball stadium opening in 2026. The district is one of the best economic development opportunities on the east coast. Mr. Saunders thanked the board and CoStar for their continued partnership.

Chair Sims welcomed Ms. Kirstine Wilson, Vice President, Talent Acquisition, CoStar Group, to bring greetings to the board. Ms. Wilson leads recruiting efforts at CoStar and is involved in planning discussions for the company's expansion in Richmond. The vision for CoStar's growth was to create a place where its employees will want to work and play along the riverfront. Construction has begun on the garage-level floors of a 20-story building, as well as a planned 6-story structure for amenities. The mixed-use development will feature retail space at the ground level, with two or three new restaurants. CoStar's current 2,000-member staff will grow to over 3,000, working between both sites. The company's presence in Richmond has helped attract other businesses such as LEGO to the region.

- B. Board Member Recognition: Chair Sims recognized former board members Ms. Kathy Abbott (2018-2023) and Ms. Angela Kelly-Wiecek (2020-2023) for their years of service. Ms. Wiecek thanked the board and acknowledged her new position as Chief Deputy Director at Virginia Works, within the Department of Workforce Development and Advancement and she looks forward to continued partnerships.

- C. Welcome to New Board of Directors: Chair Sims welcomed three new board members: Ms. Jordan Stewart, New Kent County, Mayor Steve Trivett, Town of Ashland, and Ms. Susan Dibble, Hanover County. The new members expressed enthusiasm to start their new roles and thanked their fellow board members. Mayor Trivett reminded the group of the Virginia Municipal League's upcoming Local Government Day on February 1st at the Richmond Downtown Marriott. He also noted that the Town of Ashland will celebrate Secretariat's birthday on March 30th.
- D. **MOTION Minutes**: The minutes from the November 16th meeting were reviewed. Mr. Todd Parnell moved to accept the minutes which were seconded by Ms. Nancy Thomas. The motion passed.

III. NEW BUSINESS:

- A. Chair Sims announced that the Board of Directors held an Executive Session prior to the full board meeting. The Board discussed in the closed session that Mr. Jack Berry has decided to retire on June 30, 2024, after more than three decades of extraordinary service. Mr. Berry met with the Executive Committee on January 8, 2024, to officially make his retirement plans known and he strongly suggested that Executive Vice President, Ms. Katherine O'Donnell, succeed him as President & CEO. The jurisdictions agreed on the succession plan, and the Executive Committee unanimously recommended the promotion of Katherine O'Donnell when they met on January 8th. Upon his retirement from RRT, Mr. Berry will continue his work with GRCCA and with the City Center Project.

MOTION Chair Sims reported that after the Executive Session, Mr. Dan Schmitt made a motion to accept the retirement announcement of Mr. Jack Berry as President & CEO effective June 30, 2024. The motion also included the succession of Ms. Katherine O'Donnell to be President & CEO as of July 1, 2024. The motion was seconded by Mr. Todd Parnell. The motion passed.

Ms. O'Donnell said that she is honored and humbled to lead RRT into the future. The organization is a brand steward and helps shape the narrative of the Richmond region. Ms. O'Donnell is confident that RRT and the Region's best days are still ahead, sharing that in her 22 years of service, the current RRT team is the best it has ever been. She expressed her gratitude for the privilege of working alongside Mr. Berry for many years. Mr. Berry is a mentor to others, an unmatched cheerleader for the region, and a kind and giving person. Ms. O'Donnell looks forward to building on Mr. Berry's storied legacy.

- A. **MOTION FY23 Audit Presentation**: Director of Finance, Mr. Michael Kerr, welcomed Mr. Brian Minor of Harris, Hardy & Johnstone P.C. to the board to present RRT's FY23 Audit. Mr. Minor and his team ran the audit smoothly and efficiently despite a late start due to RRT's change of audit partners. Government or "Yellow Book" and Uniform Guidance audits were performed successfully within legal frameworks. No instances of noncompliance were reported. Mr. Minor presented the Consolidated Financial Statements to the board, with two accompanying letters of communication following government auditing standards. HH&J performed no outside consultation in the auditing process and found RRT staff to be fully cooperative. Mr. Kerr noted that the Executive Committee reviewed and moved acceptance of the audit at their meeting on January 8th. Coming as a motion from a committee, no second was needed. There being no discussion or questions, the board adopted the audit as presented.

- B. Executive Vice Presidents' Report: Ms. O'Donnell invited Mr. Kerr to deliver RRT's financial position as of October 31. Mr. Kerr reviewed the previously emailed reports:
1. Broad planned expense categories are within norms.
 2. The actual-to-budget results for the spending categories show that there are no major class variances to note as notable gaps have closed since the last board meeting.
 3. In terms of additional details on actuals:
 - a. Total revenues are well ahead of budget YTD at **\$6.5M versus \$4.6M**.
Chesterfield County paid their contribution in full to start the year.
 - b. **ADM, CR, MKT, VE, DS, Sports and GRCC (Greater Richmond Convention Center) are all within norm through 10/31**, especially knowing how the last two months of 2023 played out.
 - c. **ARPA** – There is no budget for this, and the actual is being reimbursed by the jurisdictions as we go. As noted last time, at the end of the year, this should be a wash.
 - d. Revenue in excess of expenses is **\$2.84M**. This gap will close as the year progresses. RRT collected over \$12,000 in interest in December alone.

Mr. Kerr thanked Brian Minor and HHJ for their excellent turnaround on the audit and Manager of Accounting Ms. Robin Chidester for making all the pieces move so well.

Tourism Improvement District Update: Ms. O'Donnell gave an update on the Tourism Improvement District and how each RRT department is using the funds.

Business Development and Sales Marketing:

- PCMA Convening Leaders – January 7-10
 - One day booth activation + sponsoring American Sign Language Interpreter for all keynote sessions. Major brand exposure for the Richmond region.
 - Booth activation taught ASL during networking breaks.
- RCMA Emerge – January 9-11
 - Upgraded to platinum sponsorship to include 1:1 time with clients through leading round table discussion.
 - Attended with one hotel partner.
 - 38 booth engagements and eight viable RFPs received, which is a significant number for one event.
- The sales team launched HubSpot, an interactive marketing CRM, and upgraded the RRT CVENT listing to better reach and engage with meeting planners.

Leisure Marketing:

- With the launch of TripAdvisor's midweek and travel campaign, RRT is running eight campaigns concurrently, elevating our "always on" strategies.

- TID has helped earn over 4,700 room night bookings and \$465,000 in revenue. Only 30 percent of revenue can be tracked, meaning actuals are likely higher.
- The marketing team activated at Fredericksburg's I-95 rest stop to raise awareness of the region and to encourage December travel in the Richmond area.
- RRT hosted popular TikTok influencer @geekgirltravel who promoted RVA to her 126K followers.
- The social media Drive December campaign led to 5,593 landing page views on RRT's website.

Group Tour:

- Group Tour Manager, Ms. Toni Bastian attended OMCA (Ontario Motorcoach Association) Marketplace, an intimate event offering group-tourism related companies a chance to connect, network, learn, and secure future group bookings. RRT received 25 sale opportunities directly with owner/operators.
- The Virginia Motorcoach Association celebrated its 100th anniversary at the Hilton Richmond Downtown which hosted dozens of motorcoach owners/operators.

TID Training/Tools:

- I Am Tourism will go digital in 2024, which will allow hoteliers to activate every employee as ambassadors to visitors.
- Additional concierge services will help increase repeat visits and room nights to the region.
- Research, design, and implementation is underway for the IAT digital platform.

Research Trends: Ms. O'Donnell reported current research trends collected by Blue Room Research (BRR), a research firm specializing in DMOs. BRR will help streamline and create reports that are easier to read than STR reports. According to December STR data, revenue is up, while occupancy is flattening slightly. Rates are holding, which is a positive sign for the upcoming year. Mr. John Cario of Hilton Richmond Downtown reported a strong finish for December. In response to questions about tracking hotels under construction, Ms. O'Donnell shared that CoStar tracks the building of hotels and what is currently in the pipeline.

Board Retreat Follow-up: The Board held a retreat on November 16th, led by facilitator Bill Geist of DMO Proz. The board established what the next priorities would be for the Tourism Master Plan. Three main priorities were identified:

Infrastructure and Development:

- Work with RRT partners to improve and revitalize Broad Street, block by block. This work will include the efforts of Venture Richmond, the city government, and the Richmond Police Department.
- GRCC expansion/upgrades, City Center project is in the works.
- Transportation: Improve connectivity between localities; between RIC and major attractions/amenities; exploration of RMTA toll removal at exit ramps.

Experience Development:

- Develop/package VIP cultural experiences unique to the Richmond region.

- Develop/recruit add-on events to extend existing events, such as River rock, the Folk Festival, etc.

Industry Advancement & Advocacy:

- Leverage local experts to recruit meetings and conventions. Phase One: use the RRT board to help identify a list of experts.
- Tie into/support regional framework for economic mobility.
- Workforce development will identify and assist the next generation of tourism professionals.

C. Inspiration Campaign Update: Vice President of Marketing, Mr. Tom Loftus, welcomed Ms. Candice Eley and Ms. Rosalie Morton of Padilla to present an update on the Inspiration Campaign's progress. Their remarks are summarized as follows:

- Reaching our Audience: Padilla assesses consumer awareness and likelihood to travel through geographic, demographic, and receptiveness indicators.
- Potential Richmond region visitors are found through anonymous tracking of profiles based on many factors including demographic, location, transactions, households, and more.
- The established drive markets of the campaign are Washington DC, Maryland, Pennsylvania, Delaware, New Jersey, Eastern Ohio, Virginia, North Carolina, and South Carolina. Current fly markets include Orlando, Atlanta, Fort Lauderdale (including Miami/Palm Beach) and New York.
- The campaign has amassed over 74 million impressions covering rich media and connected TV.
- Social media creative has performed well, with images of rafting on the James River and Christmas at the Jefferson performing the best.
- Padilla sources social media influencers who promote the region to thousands of followers. @lizzystarexplores has amassed 1.5 million impressions.
- Outdoors/adventure content is a clear top interest in our target audience. Bars, breweries, and wineries also performed well.
- Padilla's Brand Lift Survey returned fantastic results, with big leaps in awareness and likelihood to travel to RVA after seeing the creative. The ads led to a 34.2% increase in respondents being "very likely" to consider traveling to Richmond.
- For the campaign's next steps, added video cutdowns in vertical 'Reels' format will be prominent.
- Spring-oriented imagery for both station and motion ads will be implemented as the season progresses.
- The paid spend for the campaign will end June 30, 2024.

D. Tourism Legislative Priorities: President of VRLTA, Mr. Eric Terry presented legislative priorities for the tourism industry in Virginia. Summarized as:

- VRLTA membership: There are 1,263 total VRLTA state members, 115 new Richmond TID members, and 3,659 total national members.
- Virginia/Richmond are seeing a flattening of hotel occupancy.
- Corporate travel is not back to pre-pandemic levels but will trend upwards in 2024.
- Per diem rates are holding strong.
- The VA1 Governor's Tourism Summit at the GRCC hosted a record 575 attendees.

- 2023 legislative wins in Virginia include Association Healthcare Plans, employment barriers related to prior convictions were removed for ABC manager status, Short-Term Rental Realtor's exemption into Housing Commission, continued fight for natural gas access, and a swimming pool regulation draft is expected for public comment.
- 2024 VRLTA Top Priorities include:
 - HB335 - Tipped Wage/Tip Credit – Increase to \$3.50 then up \$6.00. Avoiding a ban on tipped wages is imperative.
 - HB 1 – Minimum Wage – Increase to \$13.50 then \$15.00.
 - Budget – Dealer Discount on Tax Collections – Recouping Credit Card Fees
 - ABC Update – Regulations Update
 - Budget – G3 Inclusion for Culinary/Hospitality Education – Paying Tuition for Community Colleges
 - HB 695 – Short Term Rental – Registration Requirements
 - Human Trafficking Training in Short-Term Rentals
- 73 schools will take part in the 2024 Virginia ProStart Student Invitational on March 15, 2024, at James Madison University. RRT board members are encouraged to be judges.
- VRLTA Legislative Reception will take place on January 29, 2024, at the John Marshall Hotel ballroom.
- Day on the Hill will occur on January 30, 2024, at the Commonwealth Hotel.
- Legislative Meetings to take place in the General Assembly Building
- The 2024 VA1 Governor's Tourism Summit will be held at the Omni Homestead on November 13-15.

E. OutRVA Presentation: Community Relations Manager, Ms. Tameka Jefferson welcomed Mr. Kevin Clay of Big Spoon to deliver an OutRVA update. Mr. Clay noted:

- OutRVA.com served 25,000 unique visitors and received over 52,000 page views.
- There were over 11,000 followers on social media.
- Over 600 LGBTQ-affirming businesses, organizations, and attractions in the Richmond Region were supported through listings, blog posts, and an event calendar.
- Local restaurants took part in Dine Out for Pride June 5-11, 2023, with raised funds shared in equal parts to Virginia Pride and OutRVA.
- OutRVA partnered with local breweries for the Scott's Addition Pride Takeover on September 16, 2023.
- Trans Richmonders were interviewed for Trans Awareness Month, highlighting the inclusive community they have found in the Richmond Region.

III. **OLD BUSINESS & WRAP-UP:**

A. Other Business: Chair Sims opened the floor to discuss any pertinent topics.

- Mr. Terry of VRLTA shared that while the meals tax debate in the City of Richmond is ongoing, VRLTA does not support the elimination of the meal tax.
- The Richmond amphitheater groundbreaking has been rescheduled for January 24, at 11 AM.
- The RVA Sports Awards will be held at 7 PM on February 3, 2024, at the Altria Theater. The event will be televised live on CBS 6. Donations for the Silent Auction are still being accepted.

- Mr. Dan Schmitt of Henrico County acknowledged the success of the new Henrico Sports and Events Center. He noted that 974 teams played at the facility in December alone, with over 500 out-of-state teams taking part. Over \$1.9 million in economic impact has been generated from the HSEC and such results benefit the region.
- RRT Board Members were asked to fill out the 2024 Conflict of Interest Forms. Board Members not in attendance will be sent a link in the coming days.

B. Adjourn: With no further business to discuss, the meeting was adjourned at 2:00 p.m.

Attendees:

Brian Anderson, ChamberRVA
 John Cario, Richmond Hilton Downtown
 Susan Dibble, Hanover County
 Renee Haltom, Federal Reserve Bank of Richmond
 Todd "Parney" Parnell, Richmond Flying Squirrels
 Danielle Ripperton, Children's Museum of Richmond
 Dan Schmitt, Henrico County
 Lisa Sims, Venture Richmond
 Jordan Stewart, New Kent County
 Nancy Thomas, Retail Merchants Association
 Steve Trivett, Town of Ashland
 Jennifer Wakefield, Greater Richmond Partnership
 Lori Waran, Richmond Raceway

Guests Present:

Kathy Abbott
 Troy Bell, Capital Region Airport Commission
 Angela Kelly-Wiecek
 J.C. Poma, Chesterfield County
 Brian Minor, Harris, Hardy and Johnstone, P.C.
 Rosalie Morton, Padilla
 Candice Eley, Padilla
 Lincoln Saunders, City of Richmond
 Kevin Clay, Big Spoon
 Eric Terry, VRLTA
 Kirstine Wilson, CoStar

Staff Present:

Michelle Lovatt
 Katherine O'Donnell
 Jerrine Lee
 Tom Loftus
 Mike Kerr
 Grantland Steele
 Danielle Fitz-Hugh
 Tameka Jefferson

Absent:

Neil Amin, Shamin Hotels
 Bridgette Bywater, King's Dominion
 Paulin Cheatham, Dominion Energy
 Pat Collins, TowneBank
 Jim Holland, Chesterfield County
 Greg Kochuba, Colonial Heights
 Jon Lugbill, Sports Backers
 Michael Lindsey, Lindsey Food Group
 Rita McClenny, Virginia Tourism Corp
 Mayush Mehta, JP Hospitality
 Perry Miller, Capital Region Airport Commission
 Ellen Robertson, City of Richmond