

**RICHMOND REGION TOURISM
BOARD OF DIRECTORS' MEETING MINUTES
NOVEMBER 21, 2024
DELTA HOTELS COLONIAL HEIGHTS
12:00 P.M.**

I. CALL TO ORDER & WELCOME

- A. Board Chair, Ms. Lisa Sims, called the meeting to order at 12:10 PM. and noted that a quorum was not present.

Welcome Remarks: Chair Sims introduced Shamin Hotels' Regional Director of Operations, Ms. Michelle Sarr, and Delta Hotel by Marriott Colonial Heights's General Manager, Ms. Tasha Parton, to deliver welcome remarks to the Board. Michelle and Tasha are celebrating 20 years with Shamin Hotels. Ms. Sarr expressed gratitude to the Board members and guests for meeting at the hotel, which was transformed from a Holiday Inn. The 143-room property now features modern, versatile meeting spaces and an on-site restaurant, Aqua Café, specializing in Peruvian cuisine. She also highlighted the recent renovation of the Hilton Garden Inn South Park and the upcoming construction of Home2Suites Colonial Heights.

Following Ms. Sarr's remarks, Chair Sims invited Colonial Heights City Manager, Mr. Douglas Smith, to address the Board. Mr. Smith welcomed guests to the city and expressed appreciation for Mr. Neil Amin's partnership and ongoing investments in the area. He introduced the city's new Assistant City Manager and Director of Economic Development, Mr. Leonard "Lenny" Caballero, noting his distinguished background in local government management, higher education, and international teaching.

Mr. Smith also celebrated the success of the Tri-City Chili Peppers' Cosmic Baseball games, announcing their upcoming road schedule to Nashville, Sugarland, Texas, Indianapolis, and beyond. He shared that tickets for several away games sold out within hours. To conclude, Mr. Smith invited Colonial Heights Mayor Mr. Greg Kochuba to speak. Mr. Kochuba thanked RRT's Vice President of Administration, Ms. Michelle Lovatt, for her outstanding contributions to the Board and presented her with the City Coin of Colonial Heights in recognition of her service.

- B. Staff Awards Recognition & Roundtable Announcements: Chair Sims recognized Ms. Liana Acevedo and Ms. Jerrine Lee's acceptance into the 2024 Smart Women in Meetings Class in the Rising Star and Industry Leader categories, respectively. Ms. Lee has also been recently named a finalist for the ChamberRVA Icons Maverick Mentorship Award.

Chair Sims invited Board Members to share any important updates:

Mr. Jon Lugbill, Sports Backers:

- Celebrated the 47th annual Richmond Marathon's record-breaking weekend:
 - Richmond CBD occupancy: 96% Friday (+24% YOY) and 88% Saturday (+35% YOY).
 - ADV: \$298 Friday and \$245 Saturday, both up from last year.
 - Regional occupancy: 83% Friday and 77% Saturday (+17% YOY).
- Announced the Tacky Light Run in Walton Park, Chesterfield, on December 14 with 5K attendees expected.
- Shared his retirement plans in June 2025, with the search for his successor beginning in January.

Ms. Gail Carey, New Kent County:

- Invited attendees to the 11th Annual Grand Illumination on December 1 and the 15th Annual Providence Forge Christmas Parade on December 8.
- Ms. Lindsay Hurt introduced Makalia Records, the new Economic Development & Tourism Specialist.

Ms. Nancy Thomas, InUnison:

- Invited Board members to the 34th Annual Valor Awards on December 10 at the Greater Richmond Convention Center to honor local first responders.

Ms. Danielle Fitz-Hugh, Vice President of Community Relations:

- Announced five-time Olympic medalist Jackie Joyner-Kersey as the celebrity guest for the RVA Sports Awards on February 8 at Altria Theater.
- Invited inquiries for sponsorship opportunities for the event.

Ms. Susan Dibble, Hanover County:

- Announced the opening of Ashland Elementary School, replacing Henry Clay and John M. Gandy Elementary Schools.
- Highlighted the launch of the Montpelier Recreation Center and Library, a first-of-its-kind facility with a gym and classroom space.
- Shared the progress of "Connect Hanover," a broadband initiative connecting homes and businesses across the county.

Mr. Douglas Smith, Colonial Heights:

- Invited attendees to the Christmas Tree Grand Illumination on November 23 and the annual Christmas Parade on December 3.
- Highlighted the Southern Virginia Chamber of Commerce's 12th Annual Turkey Trot on Thanksgiving Day.

Mr. Paulin Cheatham, Dominion Energy:

- Invited attendees to Dominion Energy's Christmas Parade on December 7.
- Announced the return of GardenFest of Lights at Lewis Ginter Botanical Garden, running November 18 – January 5.

Mr. Perry Miller, RIC:

- Shared news of new Breeze Airways routes to Sarasota, FL, and New Haven, CT.
- Announced construction at the Arrival drop-off area from December 21 to January 6.

Ms. Danielle Ripperton, Children's Museum:

- Announced the return of Legendary Santa for its 88th year on December 4, 6, and 12.
- In-person tickets are sold out, but virtual visits are available.
- Called for volunteers for the Fawn Shop through December 20, encouraging community involvement.

Mr. Parney Parnell, Richmond Flying Squirrels:

- Highlighted the team's participation in the Baseball Career Conference in Dallas, TX, on December 8-9.
- Shared updates on the construction of CarMax Park, a future year-round event destination.
- Announced that 2025 will mark the 15th season for the Flying Squirrels and the final season at The Diamond, beginning April 4.

Chair Sims:

- Welcomed GRCC General Manager Mr. Nate Harris, noting his background managing the VSU Multi-Purpose Center.
- Announced the automation of the convention center's parking deck, enhancing access for visitors and staff.

Ms. Angela Wright, Hanover County ED:

- Invited Board members to Ashland's Light Up the Tracks (November 23), Olde Time Holiday Parade (November 24), and several other holiday events.
- Shared plans for Hanover County's new strategic tourism plan and a website overhaul for 2025.

Mr. J.C. Poma, Chesterfield County:

- Announced a partnership with Shamin Hotels to build a 274-room Convention Hotel in the Springline development, featuring modern amenities such as an outdoor terrace and beer garden.

II. NEW BUSINESS

- A. The Board will vote to approve the September 19 Meeting Minutes at the January meeting.
- B. Staff Anniversary Recognition: Chair Sims recognized Director of Destination Services, Ms. Liana Acevedo, for her 10 years of dedicated service to Richmond Region Tourism.
- C. FY24 Audit: The Executive Committee reviewed the draft FY24 audit and recommends approval. Mr. Brian Minor, CPA, of Harris, Hardy & Johnstone, P.C., presented the FY24 audit report. He noted that the audit process was highly efficient and reported no difficulties in working with management or completing the audit. The Tourism Improvement District (TID) was included in the audit for the first time, reflecting higher cash flows. No issues of noncompliance were identified in the Major Federal Program Audit (ARPA funds). Bound copies of the audit report, including two separate letters of required communication, were distributed to all Board members. The board will vote to accept the audit at the January meeting.
- D. President's Report: President & CEO of RRT, Ms. Katherine O'Donnell opened the floor for an RRT Mission Moment, gave updates on occupancy trends, the Mayor Avula transition, and new tourism developments coming in the future.

Mission Moment: Vice President of Sales, Ms. Jerrine Lee, shared her Mission Moment, highlighting how the National Speech and Debate Association committed to Richmond for 2026 after years of dedicated efforts to court the organization. Strong partnerships among RRT, GRCC, local hotels, and the Richmond Forum were instrumental in securing this event, sparking interest in hosting again in 2029. With over 18,000 room nights already booked, the event is expected to have far-reaching impacts across the entire Richmond Region.

Research Trends: Ms. O'Donnell provided an update on recent occupancy trends, noting that while occupancy rates nationwide are flattening or softening, Virginia is outperforming the national average, though demand remains flat. Nationally, demand declined by 2%. In the Richmond Region, demand dropped by 5% and occupancy by 6% in September; however, the region's Average Daily Rate (ADR) has held steady, showing a 3.5% year-to-date increase, exceeding the national average. October appears to show improvement over September's softening. Mr. Neil Amin of Shamin Hotels added that one fewer weekend in September this year, compared to last, contributed to the declining numbers.

Mayor Transition: Ms. O'Donnell and Chair Sims have been appointed to Mayor-Elect Avula's transition team, with a particular focus on Broad Street revitalization and the City

Center Project. Chair Sims highlighted that Venture Richmond and RRT's ongoing efforts to encourage positive change along Broad Street have gained momentum under the current administration. Venture Richmond recently hired a Community Outreach Coordinator to help provide resources to unhoused individuals along the Broad Street corridor.

New Developments: Live! Casino & Hotel Virginia, a 300-room hotel, casino, and entertainment venue, is slated to open in Petersburg in January 2027. It will feature 27,000 square feet of meeting space, though it is not expected to be a significant competitor for large convention events. In contrast, the Kalahari Project in Spotsylvania County will include 150,000 square feet of meeting space and a 900-room hotel. This resort, complete with an indoor water park and convention center, is expected to be a major competitor, as we have already lost one piece of business to the new venue.

- E. Financial Update: Director of Finance, Mr. Mike Kerr, delivered the Financial Update. A short-term investment pool has been established with TowneBank for TID Funds, and Mr. Kerr is exploring options to do the same for RRT Reserve Funds. The financials sent to the Board are as of October 2024, with November revenue currently at \$7.5 million. GRCCA has paid half of their incentive contributions for the year. While earned interest has been performing well, it is expected to decline as interest rates have been reduced. Total expenditures stand at \$3.5 million, and net revenue has increased by about \$4 million. RRT has received approximately 70% of the expected income, much of which is front-loaded by the jurisdictions. Mr. Kerr presented visual representations of the data, which are included in the packet.

FY26 Budget: Mr. Kerr presented the FY26 Budget to the Board, which is balanced at \$11.25 million. Notably, the Professional Vendor Fees line-item has been split into two additional line items: Consulting Services Professional and Professional Services Outsourced. Additionally, the Group Term Life Policy for employee benefits has been increased from \$50,000 to \$100,000. The budget also includes provisions for six-months of an Executive Vice President and also an IT Specialist, the latter of which will be brought in to mirror the planned outsourced AI vendor, Unchained AI.

The Executive Committee has reviewed the budget and recommends approval. The Board will vote to adopt the FY26 budget at the January meeting.

- F. Governance Committee Report: The Board will look to vote on the previously presented Article & Bylaw Amendments at the January Meeting, assuming a 2/3 majority are present.

Board Vacancy Update: RRT is exploring options to fill the corporate board seat vacated by Mr. Pat Collins of TowneBank in July and hopes to have a new member join in January.

- G. Tourism Improvement District Update: Mr. Neil Amin, Chair of the TID Governance Committee, shared recent updates from the TID.

Incentives Passed: 7 new incentive opportunities were passed in September/October with an estimated EIC over \$6.34 million.

New Meeting Planner Incentive Promotions: Sales launched three new TID funded meeting planner incentive promotions. These targeted offers will attract meetings and conventions to hotels of all sizes across the region. Additionally, the promotions will empower the Sales Team to more effectively market hotel packages and expedite the bid process.

Expanded Sales Presence: With the support of TID funds, the team elevated its IMEX presence, featuring an expanded booth that highlighted the region's vibrant music scene. RRT also sponsored the Hosted Buyer Lounge, providing meeting planners with a welcoming space to relax and network between sessions.

Strategic Engagement with Tour Operators: At the Virginia Motorcoach Association Annual Meeting and the Connect RTO Show, the team conducted 18 and 40 one-on-one appointments, respectively. The team hosted successful FAM tours, including a visit from a Japanese tour company and a group of eight music teachers, highlighting Richmond's unique attractions and potential for student and international group tours.

TID Fund Reallocation for Economy Hotel Events: The committee approved reallocating \$35,000 from the Marketing Expedia campaign budget to support two local events, responding to specific requests from several economy hotels poised to benefit directly from these initiatives. The economy hotel focused rack card for area welcome centers is in production.

TID Campaigns Deliver Strong ROI: The Marketing team's diverse TID campaign strategy, including mid-week, all-travel, and Black travelers' campaigns, is generating significant hotel revenue. The Black travelers campaign alone (Aug 1–Oct 30) resulted in 1,295 bookings, 2,259 room nights, and \$290,162 in revenue, with a 4.17-to-1 return on ad spend. Additionally, a targeted Expedia campaign is driving visitors to a booking page showcasing economy property to ensure they see strong results.

Workforce Intern & Local Event Grants: Several hotel operators have expressed interest in the Workforce Housing Intern Grant. The Special Event Incubation Grant will support emerging in-market events (0-3 years) aimed at promoting tourism. Both grants launched on October 1st and can be found on the RRT Foundation page.

III. OLD BUSINESS & WRAP-UP:

- A. Banana Ball: Mr. Parnell and Ms. Lee announced that the wildly popular Savannah Bananas Baseball team will be coming to Richmond on June 20-21 to play the Texas Tailgaters. RRT aims to enhance the Banana Ball experience and capitalize on the event with a targeted marketing campaign to encourage visitors to extend their stay and explore the Richmond Region over the weekend or longer.
- B. Adjourn: With no further business to discuss, Chair Sims adjourned the meeting at 1:40 PM.

Board Present:

Neil Amin, Shamin Hotels
Paulin Cheatham, Dominion Energy
Susan Dibble, Hanover County
Greg Kochuba, Colonial Heights
Jon Luginbill, Sports Backers
Perry Miller, Capital Region Airport Commission
Todd "Parney" Parnell, Richmond Flying Squirrels
Danielle Ripperton, Children's Museum of Richmond
Lisa Sims, Venture Richmond
Jordan Stewart, New Kent County
Nancy Thomas, InUnison

Guests Present:

Nate Harris, Greater Richmond Convention Center
Brian Minor, Harris, Hardy & Johnstone, P.C.
Leonard Caballero, City of Colonial Heights
Lindsay Hurt, New Kent County
Gail Carey, New Kent County
Tasha Parton, Shamin Hotels
J.C. Poma, Chesterfield County
Mikalia Records, New Kent County
Michelle Sarr, Shamin Hotels
Douglas Smith, City of Colonial Heights
Angela Wright, Hanover County

Staff Present:

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

Board Absent:

Brian Anderson, ChamberRVA
Bridgette Bywater, King's Dominion
John Cario, Embassy Suites Hotel
Renee Haltom, Federal Reserve Bank of Richmond
Jim Holland, Chesterfield County
Michael Lindsey, Lindsey Food Group
Rita McClenny, Virginia Tourism Corp
Mayush Mehta, JP Hospitality
Ellen Robertson, City of Richmond
Dan Schmitt, Henrico County
Steve Trivett, Town of Ashland
Jennifer Wakefield, Greater Richmond Partnership
Lori Waran, Richmond Raceway