

MINUTES

Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting January 16, 2013

The Chapel Hill/Orange County Visitors Bureau met at Sheraton Chapel Hill

Board Members Present: Lee Pavao, Mike Gering, Anthony Carey, Mark Sherburne, Jim Parker, Gordon Jameson, Annette Stone, Greg Overbeck, Lydia Lavelle, Laura Morgan

Not present: Dave Gephart, Jack Schmidt, Meg McGurk, Gene Pease and Karen DeHart

Staff: Laurie Paolicelli, Steve Brantley, Linda Ekeland, Martha Shannon, and Tina Fuller

Presenting: Natalie Perkins and Stephanie Perri, Clean Design

Announcements

Dave Gephart, Chair was out of town and Anthony Carey called the meeting to order at 8:13

Carey congratulated Lee Pavao for receiving the Longleaf Pine award. Mr. Pavao, as ambassador of N. C. (a title allowed by this honor) gave a toast to all.

Approval of Minutes

Mr. Carey requested a motion to approve the minutes, Lee Pavao so moved and Mark Sherburne seconded. With all members in favor the minutes were approved as written.

Finance

Mr. Carey gave the floor to Mr. Gering for the budget report. Mr. Gering reported that the revenue and expenditures are still on track. For November, occupancy revenue increased 7.89% over last November. Next month's report should reflect the Carolina Inn's reduced rooms. Gering reported that the budget was on target.

Committee/Town Reports

While having the floor, Mr. Carey then asked Mr. Gering to give an update on the Hillsborough's new TDA (Tourism Development Authority). Gering reported that the 3rd and final person (Anjan Desai, Holiday Inn Express in Hillsborough) was appointed to the TDA board. The first meeting is scheduled for February 13, 2013. Mr. Gering reported that Occupancy tax revenue is beginning to come in with an annual projection of \$55,000. Mr. Gering noted that the TDA board is the sister to the existing Tourism Authority, which oversees the meals tax that is legislatively allocated to tourism activities. Both boards are legislatively required to exist and will work together. It is structured the same as Carrboro's TDA.

Continuing the discussion on TDA's, Lydia Lavelle reported that at the previous evening's meeting the Board of Alderman approved an amendment to establish a TDA. The hotel is expected to open around June. She informed that they also will have 3 members, anticipating on what type of folks would probably fill those seats, hotelier, restaurateur, etc. and the application process is under way.

While talking about the Carrboro TDA, Annette Stone, Ex-Officio member with Carrboro, reported that the Economic Sustainability Commission would recommend The Splinter Group as their creative firm of choice for their new branding. This work will include a website.

Anthony Carey inquired on how the Hillsborough and Carrboro TDA's would be working with the Bureau.

Paolicelli replied first with a historical perspective stating that 20 years ago, the Bureau was modeled after a national template of independent visitor bureaus that coordinated tourism assets of the county with the overarching goal to "put heads in bed," knowing that overnight guests were the greatest source for tourism spending. The Bureau was envisioned to work with hotels and coordinate the county's assets in order to grow tourism. Commissioners put the Bureau in Chapel Hill to be near hotels. She stated that the Bureau has done a good job with that - In 2011, visitors spent \$154 million in Orange County and 1700 jobs were related to tourism – Paolicelli stated we've done this through a variety of programs including, conference and group meetings sales. She also stated that things were different today. Back in 1992 when Orange County and Chapel Hill began levying occupancy taxes they were not required to have a TDA organizational structure. There were no provisions ascribed to the new Visitors Bureau. No funding requirements, board or instructions. However today's TDAs must following a certain protocol and funding formula. This confuses many things. Because the overall arching mission of the countywide Bureau leads with the brand name *Chapel Hill the other towns feel left-out*. The marketing strategy is research based but doesn't always make us popular. Paolicelli went on to say, the Bureau represents Hillsborough and Carrboro and will continue to support all of Orange County. Paolicelli pointed out that Cary, NC now wants to form a TDA, currently they are represented by Raleigh and will probably still be considered Raleigh. Continuing, Paolicelli stated again that our mission won't change unless the BOCC makes an organizational change to the Bureau. Paolicelli stated, that since the two TDA's have come online she believes the County Manager could start a new conversation on bringing all partners together to discuss how tourism is funded and managed in the county.

Mike Gering assured Laurie and the board that Hillsborough's TDA and Tourism board share the same vision as the Bureau's for promoting Hillsborough – nothing has changed in that regard. Mr. Gering added that the Bureau's expertise is significant. The TDA and Tourism board along with Sarah DeGennaro with the Alliance will try to leverage that, working closely with the Bureau to become more professional and expand the tax dollar ROI.

Annette Stone added that she would be Carrboro's TDA staff liaison to the VB board. She also noted that with what the Visitors Bureau is doing to bring people into Chapel Hill; it would be the Carrboro TDA's job to take it from there.

Concluding the TDA discussion, Lee Pavao added that in the beginning the Bureau only had 1% to operate on, then 2%, then 3%. Commissioners have long recognized the success of investing that tax in tourism. He cautioned that with the increase in revenues, it's important to watch the fund balance. A plan should be put in place for using that to further grow this sector of the economy because we've proven we can.

Furthering with committee reports:

Jim Parker reported that the Hillsborough/Orange County Chamber of Commerce is now self-sufficient and carried by their members to support operations. The Chamber added 30 regular members. Mr. Parker also reported that some minor changes were made to Hog Day. The name will now be Hogg Day in recognition of James Hogg.

Gordon Jameson reported on the Arts informing members that the next Artists Salon would be a two-part series, February and May, 2013, covering the topics- "Contracts, Copyright & Controversy for Visual Artists". Mr. Jameson also reported that FRANK Gallery is holding a fundraiser this Friday from 7-10 pm, the theme is From Russia with Love and a touch of blues to go with it. \$75/couple, \$45/person. Concluding his report, Mr. Jameson informed members that he is on the advisory board for Kidzu which is in the planning stages of the exhibit space for the top of the Wallace Deck.

Martha Shannon added to the report that Susan Kluttz is the new Secretary of Cultural Resources for the State. She also informed that she does not anticipate any cuts to the grant funding for FY 2014.

Lydia Lavelle updated the board on a concern she had from the Transit Partners Group. There will be a lot of construction in May along Columbia Street, near Merritt's Mill, that will place a financial burden on the bus system as construction will consist in the busiest corridor for the bus route. She feels it important to find a way to inform visitors – people will be frustrated. Laurie Paolicelli and Laura Morgan agreed to collaborate to get this done.

New Research Study Overview

Anthony Carey gave the floor to Natalie Perkins with Clean Design. Ms. Perkins gave an overview of the research study : Attitudes, Awareness & Usage survey (AAU) is the type of research that will measure the change in people's awareness, attitude and intent to use or recommend Orange County as a visitor and conference site. Targeting a random 400 people that match the current campaigns media spending market with the criteria of:

- a) Income over \$50,000; 25-40 YOA; Male and Female; 5-hour drive of Chapel Hill (excluding the Triangle); Leisure and Business travelers

Discussion:

Mr. Gering questioned why the age limit is 45. Natalie replied because that is what our media spend is. Laurie Paolicelli added that past research showed 49 YOA as the avg. aged visitor and when we launched the campaign, we agreed to skew a little younger. Mark Sherburne agreed. Lydia Lavelle commented that she thought we were trying to capture the business traveler. Ms. Perkins noted that the target group is matching the media spending for the current campaign. Ms. Perkins noted that the most important issue to establish is the visitor's likelihood or intention to visit and the willingness to visit or recommend. The issues will be measured now and then again a year from now.

Steve Brantley questioned if they could distinguish whom the Alumni were, because they are already coming for the sports events and commencement, where others might be coming for the food, etc. Natalie Perkins agreed that the distinction was a good idea and would add that question. Ms. Perkins added that they are trying not to get too detailed on why they are coming but it brings a good point. To clarify for voting purposes, Anthony Carey suggested filtering that into the survey in which Ms. Perkins agreed that she would add a question as such to separate the Alumni from non-Alumni.

Anthony Carey requested a motion to approve the survey as recommended by Clean Design adding in the Alumni/non-Alumni filter. Jim Parker so moved and Mike Gering seconded. All members were in favor and the motion was passed.

Executive Director's Report

Ms. Paolicelli gave an overview on strengths and weaknesses in marketing: noting that the Bureau must improve its search engine optimization; the retirement of Nancy Davis at UNC and board member Laura Morgan's acquiring the new role in overseeing the UNC Visitors Center. Paolicelli also announced that she would be presenting on the 'growing demand of agritourism' at the upcoming Agriculture Summit, February 11, 2013. Paolicelli informed members that a Hillsborough tourism summit has been scheduled for Saturday, February 23rd from 9-2pm; gathering all involved in tourism. The Summit will be facilitated by Joel Sheer and Paolicelli will speak, addressing this countywide agency's role in Hillsborough's tourism industry. Paolicelli apprised board members of the new website launch. She stated that while she is pleased with the results, there is still a lot of work in process. Following Paolicelli, Sales Director Linda Ekeland reported that the OC Visitors Bureau won the first place award for the best professionally decorated booth at the recent AENC Annual Trade Show in December. She also reported on that they had 23 planners from North Carolina attend an inbound tour for decision makers of events and

conferences, yesterday, which gave the event planners an inside look at 10 meeting venues including NCBG and Extraordinary Ventures. Carolina Inn has already received a lead from this event. Ms. Eckland informed members that they plan to have the UNC sales event again this year in March, comprised of 2 days on campus and appreciation lunch at the Carolina Club.

Marketing and Sales Report

Carey reminded board members that a committee was formed to assist in Sales. The committee consists of Mark Sherburne, Jack Schmidt and himself. Three takeaways from the committees meeting were the need to track group production, the need for part-time assistance and the creation of a video.

Mr. Carey stated that the Visitors Bureau would be asking hotel general managers to complete a confidential form that requests information on group and transient business. Information received would give staff data to calculate the ratio of group vs. transient rooms sold on a monthly basis. Secondly, Mr. Carey reported, the Bureau has 6 potential applicants for part-time assistance in sales whom when hired would work with a contact listing of 85 prospects. Lastly, the committee suggested a possible partnership with Chapelboro.com to promote each hotel, rotating monthly.

New Business

Mr. Brantley stated that in his search for Economic Development resources, he has not found where a countywide video has been produced – one that promotes all aspects of ED such as businesses and business districts, transportation, sports, and UNC, showing all towns including Mebane. He would seek the Arts Commission and Visitors Bureau help for referrals.

With no other business, the meeting was adjourned at 9:28 am

Minutes accepted by: Dave Gephart,
Chairman

Minutes reviewed by: Laurie Paolicelli,
Executive Director

Date

Date