

MINUTES

Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting April 18, 2012

The Chapel Hill/Orange County Visitors Bureau met at The Cedars in Chapel Hill

Board Members Present: Dave Gephart, Karen DeHart, Mike Gering, Greg Overbeck, Meg McGurk, Laura Morgan, Mark Sherburne, Lydia Lavelle, Annette Stone, Anthony Carey, and Gordon Jameson,

Members Absent: Lee Pavao, Jim Parker, Donna Bell, Valerie Foushee, Steve Brantley

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

Others Present: David Andrews, Carrboro Town Manager

CALL TO ORDER

Chair Gephart called the meeting to order at 8:15 am

Welcome

Meeting host Bob Woodruff, President of the Cedars at Chapel Hill, gave board members a brief overview of the retirement community.

Chair Gephart thanked Mr. Woodruff. Gephart announced that Jim Norton has resigned as director of the Chapel Hill Downtown Partnership and with that welcomed Meg McGurk who is acting director. Mr. Gephart also welcomed David Andrews, recently hired town manager for Carrboro.

APPROVAL OF MINUTES

Chair Gephart requested a motion to approve the March 21, 2012 minutes. Anthony Carey so moved with Greg Overbeck seconding. With all members in favor, the minutes were approved as written.

REPORTS

Finance Reports

Mr. Gephart gave the floor to Mike Gering for an update on financials. Mr. Gering brought the Board's attention to the 2012-2013 proposed budgets noting that the occupancy receipts are budgeted at an increase of 14% and a request to appropriate @ \$150,000 from the Visitors Bureau fund balance is proposed after staff met with County Manager Clifton and Finance Head Clarence Grier. The funds will be used to better market Orange County, agri-tourism and a strong "heads in beds" campaign program. Mr. Gering then asked about the current fund balance. Laurie Paolicelli replied that it is approximately \$400,000.

Continuing with the proposed budget, Mr. Gering reported that expenditures are basically the same with the exception of Strategic Alliances, which includes (PROPOSED) dollars allocated for the special events fund still under discussion. And advertising is PROPOSED to increase by 89% with the addition of Orange County advertising and Clean Design, as well as design enhancements to the bureau's website.

For the benefit of Ms. McGurk and Mr. Andrews, Ms. Paolicelli gave a brief overview of the state and local occupancy legislation that brought about the Visitors Bureau and how it is funded.

In concluding his report, Mr. Gering moved to have an ongoing fund balance available at each board meeting. Lydia Lavelle seconded. With all members in favor, the motioned was passed.

Annette Stone inquired about how the Town of Chapel Hill based their monetary support to the Visitors Bureau. Ms. Paolicelli provided background. To that point, Lydia Lavelle commented that it would be different with Hillsborough and Carrboro in that they each have a Tourism Authority that would make expenditure decisions; whereas Chapel Hill does not. Both Mike Gering and Annette Stone agreed that legislation or policy dictate that the funds collected go to tourism however that could also include a portion to be used for infrastructure.

Discussion: Mr. Gering commented that it would take a while to organize a TDA, could take a year. Mr. Gering reported that they would start to collect tax on July 1 and \$50,000 is projected for the first year. Lydia Lavelle commented that it would behoove Carrboro to get that organization in place now. Mr. Andrews responded that he has copies of the statutes and ordinances and expects a 12 month period of time before its up and running. Ms. Paolicelli recommended that Mr. Dana Simpson, Attorney with the NC Coalition for Travel and Tourism, an occupancy tax expert and friend of Orange County join us for an informal lunch to discuss the capabilities and limitations of occupancy tax usage. Ms. Lavelle and Mr. Andrews agreed; Ms. Paolicelli will set up the meeting.

Chair Gephart asked if any board members had questions on the proposed budget. There were no questions and with that Mr. Gering moved to recommend the proposed budget, Greg Overbeck seconded and all members were in favor of recommending the 2012-2013 proposed budget to the Manager and BOCC.

Marketing Report

Anthony Carey reported that the Visitors Bureau has met with Clean Design to discuss the local campaign roll out and Clean Design is in the midst of surveying the tagline 'Edge of the Triangle'.

Lydia Lavelle commented that the "Triangle" may be known anecdotally and regionally but expressed some concerns about the validity of that tagline being known by visitors from farther regions.

Paolicelli reported that Clean Design will present at the next meeting for the May-June launch and review research they've completed on the tagline, answer any concerns at this point and make sure that we are all on the same page before an official launch.

Sales Report

Ms. Ekeland reported that she would be attending the Collaborate Conference next week. She explained that the conference is by appointment only: sales associates make up to 40 appointments with meeting planners. Ms. Ekeland noted that she has 36 appointments – meaning those planners had requested Chapel Hill as a possible meeting destination. Ms. Ekeland went on to report that many of the planners are from the DC, Maryland and Virginia area, and surprisingly, some are from Georgia.

Ms. Ekeland continued, reporting that the recent MPI Dream Team meeting at the Botanical Garden was not attended as well as they had hoped. Ms. Ekeland stated that only 25 of the 40 planners attended. The Siena Hotel catered the meeting.

Ms. Ekeland reported that she is cautiously optimistic that the lead for the St. Paul AME Church will be booked. It will bring in 700-800 people to the Sheraton who will utilize all areas of the hotel to make it possible. Ekeland also reported that she has a lead from the Abundance Foundation that would possibly bring 800-900 people. Ms. Ekeland commented that most of her leads have been for 2013.

Laurie Paolicelli requested Mark Sherburne and Anthony Carey give a report on current hotel trends. Mr. Sherburne first

announced that the Aloft Chapel Hill was awarded the 2011 Hotel of the Year from parent Starwood Hotels. He went on to report that the Aloft is well above budget for the quarter, but has slowed down on wedding business for June, however picking back up in the fall and into 2013. Mr. Sherburne reported that their mid-week has also been strong. Mr. Carey reported that the Siena has seen an increase in transient business however the group meeting business is still minimal. Mr. Carey reported the Siena has received numerous inquiries on catering and banquets but unfortunately they have not had the space to accommodate. Mr. Carey reported that their first quarter was strong as well.

Mark Sherburne added that the Aloft has seen an uptick in government/lower rated bookings. Mr. Sherburne went on to report that Tobacco Road (a 6000 sq. foot sports bar) is coming to East 54, Streets Deli closed and Akira closed possibly due to the traffic coming in did not offset the amount of rent charged – rent was originally based on a different economic time.

Ms. Paolicelli inquired on Greg Overbeck's restaurants. Mr. Overbeck replied that all the restaurants are doing well, Mez is doing exceptionally well and that they will have a new one opening this fall.

Executive Directors Report

Laurie Paolicelli gave an overview on the pre- site selection trip/ inter-city visit with the Chapel Hill/Carrboro Chamber of Commerce to Bloomington Indiana.

Referred board members to the budget and noted several new promotions; a 2013 Food Guide, and historic walking guide to the area that would include both Chapel Hill and Carrboro and the special event fund.

On another topic, Ms. Paolicelli opened the floor to discussion on whether the Visitors Bureau is in the right location. She informed board members that the Visitor Center facility is being viewed by the county as possible space for new businesses and that her discussion with the county manager included talks of a possible better move to a location on a major transit corridor with better parking. She emphasized that these discussions are new and in its infancy.

Chair Gephart then gave the floor to Meg McGurk with the Chapel Hill Downtown Partnership for an update on downtown. Ms. McGurk announced that the hiring process for a new Director could be about 3-6 months. Ms. McGurk gave a full update on downtown programs, events and initiatives and expressed gratitude at working closely with the visitor's bureau board.

Discussion: Comments were made that parking enforcement is until 6 pm in some areas and 8 pm at other areas and it is confusing to visitors. Parking is free in Durham and in Carrboro and it begs the question, is the Town of Chapel Hill more interested in generating revenue or bringing people downtown. Ms. Paolicelli inquired if it would be helpful to have a note sent from the VB BOD with a recommendation. Mike Gering felt that since Chapel Hill encouraged this board to grow tourism, it should be made aware of issues that could be setting it back and this parking change was one such issue. Mr. Overbeck agreed and moved to have a recommendation on behalf of the Visitors Bureau to petition the council to implement uniform expiration times on downtown meters. . Gordon Jameson seconded and with all members in favor the motion was passed.

Town Updates

Dave Gephart announced that the Orange County Cultural Center received its tax exempt status and hired a part-time director. Hog Day is 3rd weekend in May.

David Andrews thanked the Visitors Bureau Board for inviting him to the meeting and that he looks forward to working with the Visitors Bureau. Carrboro Day is May 8th and plans for the annual Carrboro Music Festival are underway.

Mike Gering announced the Hillsborough way finding has begun.

Arts Commission

Gordon Jameson spoke on his thanks to the Arts Commission, Visitors Bureau, Downtown and Jeff York with the Town for taking the lead on a SmART initiative grant award that, if received, would be used to create a cultural zone in Chapel Hill/Carrboro (aptly named THE EDGE) that would enhance what is already in place. Jameson gave an overview on the art gallery, FRANK, and its annual fundraiser coming up that week. Martha Shannon spoke on the emerging artist program where Orange County artists compete.

Next meeting venue

Holiday Inn Express, Hillsborough

And with no other business to discuss, Dave Gephart requested a motion to adjourn the meeting, Lydia Lavelle moved to adjourn with Greg Overbeck seconding. The meeting was adjourned at 9:40 am.

Minutes reviewed by:
Laurie Paolicelli, Executive Director

Minutes accepted by:
Dave Gephart, Chairman

Date

Date