

## MINUTES

### Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting March 19, 2014

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

**Board Members Present:** Anthony Carey, Lee Storrow, Gordon Jameson, Greg Overbeck, Mark Sherburne, Jim Parker, Michelle Johnson, Mike Gering, and Penny Rich, Annette Stone, Meg McGurk

**Not Present:** Dave Gephart, Karen DeHart, Lee Pavao, and Laura Morgan

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

**Also attended:** Sarah Larson, Chapel Hill Downtown Partnership; Debbie Hepp and Devra Thomas, Orange County Arts Commission Board of Directors; Sarah DeGennaro with Alliance for Historic Hillsborough

### Call to Order

Chairman Anthony Carey welcomed everyone and called the meeting to order at 8:16 am. Mr. Carey acknowledged Sarah Larson, newly recruited downtown events coordinator for the Chapel Hill Downtown Partnership.

### Approval of Minutes

Chairman Carey requested a motion to approve the February 19, 2014 minutes. Jim Parker motioned to approve, Penny Rich seconded. With all members in favor, the minutes were approved as submitted.

### Welcome from Host

Chairman Carey recognized the meeting host Sean Rowe, General Manager of the Residence Inn by Marriott. Mr. Rowe welcomed everyone and gave a brief update on the Residence Inn stating that the hotel enjoys a 30%-50% extended stay market and the market is doing well due to numerous projects in the area. He also noted the hotel would undergo a complete renovation near the end of this year.

### Reports

#### Budget/Finance

Penny Rich reported February expenses remained steady, uneventful. With the increase in revenue overall, the need to spend down the fund balance is important – focus for the 2014-15 fiscal year will be on LGBT, Food, Agritourism, and a new sales position. Ms. Rich informed members that the rent and administrative fee discussion with the BOCC has not taken place as she is vying for a longer time spot during the budget process.

#### Public Art Discussion

Mr. Carey gave the floor to Gordon Jameson, Orange County Arts Commission board chair, for an overview of the public art project.

#### History

Jameson stated the piece “You are Here” was initially requested to be placed in front of the County Library, and received the approval of the county commissioners with funding in part by the Hillsborough Tourism Board, ‘Friends’ of the Library, an art grant, and/or a budgeted CIP item. However, the project was scratched with the last county

administration. With new administration in place, a request to reinstate the art project was proposed. Since then it was determined that the piece is too large for the space in front of the library and a new location, behind the County Justice Building, was considered. The piece would be slightly visible from Churton Street and viewable from RiverWalk. The total cost for the project would be approximately \$20,000 and include the artist's commission and cost for set up. With lack of funding from two sources, Friends of the Library and the CIP fund, it was suggested that the Arts Commission request support through the Visitors Bureau. With that, the floor was opened for discussion.

#### *Discussion*

Penny Rich inquired why a line item could not be designated through the county's general fund, when it's the County is interested in art. She expressed her thoughts that this should be a BOCC matter. Martha Shannon explained that the new policy for CIP consideration is a minimum amount of \$100,000, so that option was out. Upon meeting with Commissioner Jacobs to propose the art project be reinstated, he was all for it and suggested asking the Visitor Bureau for support.

Laurie Paolicelli commented that it is unfair for the Arts Commission's budget to stay static. However, she thought that the board should be aware that when budget time comes around, it would be hard to request more funding from the Town of Chapel Hill, if the Bureau is using occupancy revenue to fund public art. Paolicelli noted that this situation is precedent setting.

Mike Gering said he's interpreting the discussion so far to be a policy question about where the lodging tax dollars are allocated, and the fact that the Arts Commission is under the same budget doesn't mean that all the revenue for their activities should come under the lodging tax. Additionally, as a precedent setting decision, it's also important to realize that a public art piece like this has some tourism impact, therefore deserves some kind of contribution, however not 100%, and believes the BOCC should find other sources as well. Gering advocated for some funding perhaps, 60% County and 40% Visitor Bureau.

Anthony Carey agreed, noting that our mission statement is to generate overnight stays and this would not generate overnight stays. He also expressed concern that this would open up more indirect requests such as roads, wayfinding, and parking.

Laurie Paolicelli agreed that it's very reasonable to offer seed money, however it sends a message that it would be for something that does not directly influence tourism. She referred to the Town of Chapel Hill as using their occupancy tax to fund initiatives other than tourism.

Mike Gering commented that Orange County and Chapel Hill do not have restrictions in their policies as does Hillsborough and Carrboro regarding usage of tax.

Penny Rich inquired if the Visitor Bureau has a policy dictating how funds should be distributed. Laurie Paolicelli replied that the Bureau follows best practices guidelines established through a respected international DMO organization whereas fifty-percent is dedicated to advertising and marketing, thirty-percent allocated to personnel and the remaining funds are used for operations.

Lee Storrow inquired if these funds could be pulled from our existing budget or dedicated fund balance. Paolicelli replied that it could and is a proposed line item for next year's 2014-15 budget.

Mark Sherburne inquired what the next step would be. Paolicelli stated that she would like this board to decide if and how much support would be given to the OCAC for the art project.

Gordon Jameson commented that they need more clarity on how funding works now that the OCAC is under the VB umbrella. How would the OCAC proceed moving forward?

Penny Rich agreed that there should be a line item for art, getting rid of it was a mistake.

Laurie Paolicelli echoed Jameson's remarks in how much and how often should dollars be allocated to the OCAC for public art. Paolicelli recommended establishing a policy.

Mike Gering commented that it might be too soon to create a policy. Michelle Johnson concurred and commented that board members should focus on the current project.

Lee Storrow commented that it might be best to go with a dollar amount rather than a percentage in case project expenditures increase.

It was noted that it should be made clear to the BOCC that this is a one-time only offer.

With the conclusion of this discussion, Anthony Carey motioned to fund only the specific piece "You are Here" art project up to 40% of the total cost, but not to exceed \$8000 and propose to the BOCC that the County provide the remaining funding. Jim Parker seconded. With all members in favor, the motion was passed.

It was then mentioned that this would be the last meeting for Gordon Jameson as liaison for the OCAC. Jameson's term with the Arts Commission expires this month. Debbie Hepp was introduced as assuming the seat of Mr. Jameson.

### **Executive Director Report**

Laurie Paolicelli discussed overreaching goals that are strategically aligned with the Visitors Bureau mission for the 2014-15 fiscal year. Paolicelli talked about supporting mid-week business through conference and business travel leads; focusing on recruiting business during the shoulder months: June, July, December and January; farm to fork, LGBT and heritage preservation markets. At the suggestion of Clean Design, television would be added to the marketing mix. The integrated marketing communications plan would include targeting a younger, ethnically diverse demographic while maintaining the Boomers and Silent Generation markets. Other initiatives would include adding informal videos to the website to increase user activity and collaborating with the NC film industry leaders in a local production. Other collaborations include support for a regional-wide Farm Aid event and the downtown Tar Heel, Come Early Stay Late campaign. Paolicelli stated that this plan of work would be finalized and presented for review in May.

### **Sales**

Linda Ekeland reported on leads and bookings for February to date, a roadshow in Spartanburg, SC; six hotels have signed to participate, and a meeting with hotel DOS's next week. Ekeland reported that while attending TAHMA (Tuesday) she learned of a proposed retail development project for 100 acres in RTP that may affect group business in Chapel Hill. Steve Brantley commented that the project's specs are due out in September. Paolicelli stated she would contact Anna Penner, Research Triangle Foundation and request her to speak to the board on this subject.

### **Downtown Partnership**

Meg McGurk turned it over to Sarah Larson for an update on the new Live & Local (replacing Locally Grown) events that are scheduled for this spring and summer at 140 West. Larson reported that the first event would coincide with 2nd

Friday Art Walk and feature the art piece Exhale. All events are listed on the CHDTP's website. Meg McGurk followed with an update on the economic impact of the Thursday night UNC vs. Miami Football game downtown event stating that event produced an economic impact of \$5 million. McGurk reported that discussions about having the same type of event on Fridays before Saturday games were productive and the idea has the backing of UNC athletics and the Town.

### **Carrboro**

Annette Stone reported the Carrboro TDA is up and running and currently working on next year's strategic plan that may include a walking map, wayfinding, parking and an event sponsorship fund. She reported the Merge25 (Merge Records) Music Festival will be held in Carrboro July 23-26<sup>th</sup>, Hampton Inn hosting NCAA teams, and lastly, singer/songwriter Eddy Money stayed in Carrboro during his performance at DPAC.

### **Hillsborough**

Jim Parker reported that Last Fridays begins March 28, enhancements to downtown streets will begin this summer, and Riverside Restaurant is now a Mexican restaurant. Laurie Paolicelli inquired if Jim could organize a **tour** for board members, in which he replied he could.

### **Arts**

Martha Shannon reported Carrie Knowles was selected as the 2014 Piedmont Laureate. She gave a brief overview of the annual Congressional High School Art Competition.

### **Restaurant News**

Greg Overbeck reported that so far this year the restaurant business outlook is good.

### **Chapel Hill**

Lee Storrow mentioned that for the next few months, rezoning of Ephesus and Fordham Blvd would be the topic of discussion at council meetings.

### **Orange County EDC News**

Steve Brantley reported that work should begin in a few weeks for Morinago's candy mfg. facility; the groundbreaking ceremony is expected sometime in June. He also reported the need to generate more activity in the small business loan program, which offers up to \$50,000 for qualified loans. Concluding, Brantley stated he is looking into the idea of developing a searchable database for locally owned businesses.

### **Other Business**

Next month's meeting is at Ernie Williamson Athletics Center. With no other business to discuss, Chairman Carey adjourned the meeting at 9:48 AM.

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Minutes reviewed by:  
Laurie Paolicelli, Executive Director

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Date

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Minutes accepted by:  
Anthony Carey, Chairman

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Date