

Approved June 17, 2015

MINUTES

Chapel Hill/Orange County Visitors Bureau Board of Directors Meeting May 20, 2015

The Chapel Hill/Orange County Visitors Bureau met at
The Hampton Inn & Suites, Carrboro

Board Members Present: Libbie Hough, Lee Storrow, Debbie Hepp, Rosemary Waldorf, Mark Sherburne, Jill McCullough, Aaron Bachenheimer, Lee Pavao, Mike Gering, Penny Rich, Annette Stone, Meg McGurk

Not Present: Anthony Carey, Karen DeHart, Michelle Johnson, Nitin Khanna

Staff attendance: Laurie Paolicelli, Tina Fuller

Also present: Mark Nelson, Director of Marketing/Communications, CPA; Dwight Basset, Economic Development Officer TOCH; Erin Jobe & Phaedra Kelly, Carrboro TDA; Stephanie Perri, Tom Hickey & Steve Kelly, Clean Design

Call to Order

Vice-Chair, Lee Storrow, called the meeting to order at 8:13 a.m. Introductions were made by all. Mr. Storrow recognized Mark Nelson, Marketing/Communications Director for Carolina Performing Arts. Mr. Nelson spoke about the origins & mission of Carolina Performing Arts, the economic impact on the community stating ½ million in hotel accommodations revenue generated from visiting performers as well as restaurant patronage from performance attendees, and the 2015-16 performance schedule.

Approval of Minutes

Mr. Storrow requested a motion to approve the April 15, 2015 minutes. Lee Pavao so moved and Penny Rich seconded. With all members in favor, the minutes were approved as submitted. Libbie Hough motioned to amend the minutes to state the Hillsborough TDA has a budget of \$300,000, rather than the \$500,000 as mentioned at the last meeting, motion was approved. However, that statement was not included in the original minutes.

Words from Hosting Hotel

Mr. Storrow thanked Hampton Inn Hotel Sales & Marketing Associate, Barbara Leedy for hosting the meeting. Storrow asked for a hotel update. Ms. Leedy talked about the types of groups and special guests that have stayed at the Hampton Inn Carrboro since its opening in 2013. She stated that the average stay of guests is 2.5 days at 2.8 persons/room.

Town of Carrboro/TDA

Mr. Storrow recognized Annette Stone to introduce two members of the Carrboro TDA (Tourism Development Authority), Erin Jobe and Phaedra Kelly. New Carrboro 'Feel Free' collateral and swag by the TDA were presented to the board members. Members were told about the VisitCarrboro.com website.

Budget Update

Penny Rich reported on the current budget, stating that it is still on target: spending down fund balance on the foodie and LGBT campaigns. Ms. Rich reported that the 2015-16 budget is proposed at 1.4 million noting that the operations budget is static and includes funds for a new sales contractor. Ms. Rich noted that the Orange County Arts Commission's requested line item for public art is in as a placeholder for future discussion by an ad hoc committee. The \$25,000 will go back into the Bureau's 2015-16 advertising budget as originally planned.

Ms. Rich announced that Laurie Paolicelli would take the new position of Director of Community Relations under the County Manager beginning July 1.

Ms. Paolicelli replied that it is a tremendous opportunity and is a reflection of this board. Ms. Paolicelli explained that historically in past jobs, the county manager has leveraged a department such as this for the county as a whole.

Back to the budget, Mark Sherburne inquired about the original sales manager position during Linda Ekeland's tenure. Ms. Paolicelli replied that with Ms. Ekeland's retirement and the hiring and acclimation of Marlene Barbera, it was determined that a sales person working remotely made better sense. The position is currently advertised on HCareers, with a preference to find someone in a strategically geographic area, such as Charlotte, where there is a draw for Carolina Alumni.

Advertising Update

Mr. Storrow gave the floor to Clean Design for an update on the current and proposed 2015-16 marketing plan. Stephanie Perri gave a quick review of past creative designs and the small transition away from 'Edge of the Triangle' to a more image based type of ad that reflects more on the people and events in our communities. Ms. Perri noted that the creative shows a larger headline for 'reason why they (visitors) should come' and 'what to do when they get here' and a UNC identifier was also added. Ms. Perri commented that they are now reviewing whether the ads need to strategically evolve even more to remain relevant.

In response, Ms. Paolicelli commented that based on Clean's comment she senses there may be a need for refreshing the brand and invited Dwight Bassett to comment on the Town of Chapel Hill's view. Mr. Bassett conveyed that the Town of Chapel Hill hired a consultant from Seattle to help with a new commercial development strategy and it was about a month in, after looking at everything the Town has been doing, the contractor stated that it looked like the Town is selling off an old brand and the approach needs to be refreshed. Paolicelli responded that moving forward the challenge is how do we ally with preservation and the growth aspects of who we are, where we've been and where we're going.

Clean Design's Tom Hickey resumed the marketing update. Mr. Hickey reviewed macro trends in peer-to-peer influence in terms of dreaming and planning a trip and technology usage in terms of tracking & measuring, and online marketing. Mr. Hickey also reviewed highlights for the year ahead.

Discussion followed on video marketing, paid social media, Googles role in travel & destination planning and tracking studies & actual arrivals to a destination through a company called Arrivalist.

Ms. Paolicelli commented that we are not decreasing ad dollars, just a reflection of Marlene's style where the call out is more through consumer channels rather than group media.

Old Business

In response to a question from April's meeting, Laurie Paolicelli referred board members to a handout "Summer Months vs. Academic School Year" which showed a comparison in the hotel key indicator metrics for those segments. Ms. Paolicelli reported that there has been significant growth in rooms available since 2011 as well as Revenue per room; Orange County is attracting more hotels and seeing greater revenues. She also reported that the summer season is showing a greater increase in revenues siting corporate meetings, In-state visitors, advertising, town/gown conferences, healthcare related meetings, UNC student move-in (August), and summer events, camps as contributing factors. Paolicelli reported 2014 showed a 17.6% increase in occupancy tax revenue from 2013 to the amount of \$185,575. Paolicelli noted that while summer is strong, RevPAR is lower and it is important to remember Epic, Lux & the US Open

also contributed to strong numbers. Paolicelli volleyed to Mark Sherburne for his input on The Carolina Inn’s summer business. Mr. Sherburne informed that summer months are slower, rate reduction is due to hotels vying for more groups business. Sherburne also stated that hoteliers are trying to ‘hook’ UNC parents to the property for the next 4 years. Sherburne continued saying that business has greatly increased over time, but it is still the academic months that pull higher rates. Paolicelli commented that she has heard the same from restaurants and ancillary businesses. December and January are still hard.

Ms. Paolicelli took this opportunity to report a budget comparison of surrounding CVB’s as follows:

CVB	Budget	Hotel Rooms	Budget per room
Chapel Hill/Orange County	\$1.4 million	1,625	\$862.00 per room
Johnston County	\$1 million	3,400	\$294.00 per room
Cabarrus County	\$4.2 million	2,791	\$1505.00 per room
Durham	\$3.5 million	8,290	\$422.20 per room
Raleigh	\$6.4 million	15,560	\$411 per room

Rosemary Waldorf inquired about the increase of rooms with the Hamptons opening. Barbara Leedy replied 142 rooms. Ms. Waldorf commented that the aforementioned 17% plus increase as not being replicable may not be as bleak as we think - maybe part was due to growth.

Concluding new business, Lee Storrow inquired if the 2015-16 budget would be presented at the next meeting for approval. Paolicelli replied yes.

New Business/Roundtable

Meg McGurk gave an update on Carolina Square, saying the official ground breaking is slated for October and Granville Towers is open.

Libbie Hough reported that the Town of Hillsborough is moving forward to staffing the TDA at a Town level and some activities have been placed on hold due to that. Ms. Hough commented that the Orange County Public Library could be part of a destination.

Mark Sherburne announced the renovations for Carolina Crossroads will begin June 1; the dining and bar area will be flip flopped for a more open space concept. The outside area will also undergo updates. The \$2.5 million renovation should

be completed by August 31. Mr. Sherburne also announced that due to limited food service, food trucks will be on-site during Fridays on the Front Porch.

Rosemary Waldorf reported the groundbreaking ceremony for the new property at Southern Village, Hyatt Place is June 4th 11 am. It is also the 20th anniversary of Southern Village and several events are scheduled for the weekend.

Debbie Hepp gave board attendees postcards depicting the winning design from OCAC's recent poster design contest; the design celebrates the OCAC's 30th year anniversary. Ms. Hepp reported that they are spending their remaining advertising funds for a website upgrade.

Laurie Paolicelli mentioned a test pilot tax program that Airbnb is doing with certain counties in North Carolina, Paolicelli will send article to board members.

The next board meeting will be held at the Courtyard by Marriott, Chapel Hill

With no other discussion or business, Vice-Chair Storrow adjourned the meeting at 9:36 am.

Minutes reviewed by:
Laurie Paolicelli, Executive Director

Date

Minutes accepted by:
~~Anthony Carey, Chairman~~ Lee Storrow, Vice-
Chairl

Date