



NORTH CAROLINA TRAVEL & TOURISM BOARD

MEETING MINUTES

August 23, 2016

BOARD MEMBERS PRESENT: Sabrina Bengel, Rolf Blizzard, Donna Carpenter (via conference call), Christopher Chung, Randy Cobb, Joel Griffin, Senator Ralph Hise, Kim Hufham, Caleb Miles, Lynn Minges, Tammy O'Kelley (via conference call), Jessica Roberts, Secretary John Skvarla, Kathy Sparrow, Chris Valauri, Paula Wilber, Lynn Wingate

BOARD MEMBERS ABSENT: Kevin Baker, Randy Danos, Lew Ebert, Rich Geiger, Marshall Hilliard, Katherine Hopkins, Chris Humphrey, Representative Charles Jeter, Representative Pat McElraft, Vinay Patel, Senator Norman Sanderson

LIAISONS, STAFF AND GUESTS PRESENT: Amanda Baker, Guy Gaster, Scott Gilmore, Dana Grimstead, Bryan Gupton, Brooks Luquire, Andre Nabors, Nick Parker, Kathy Prickett, Michelle Reino, Marlise Taylor, Cyndi Tomblin, Wit Tuttell, Heidi Walters, Kara Weishaar

**** Rolf Blizzard facilitated onsite as immediate past chair for Tammy O'Kelley who couldn't make it due to a recent injury. O'Kelley was conferenced in and provided comments throughout.**

CALL TO ORDER

Rolf Blizzard, immediate past chair, called the meeting to order at 2:04pm.

WELCOME

Blizzard welcomed Board members and guests to the Economic Development Partnership of NC (EDPNC), and thanked them for attending. He noted O'Kelley's presence on the conference call line, informing Board members that she could not attend today as she is recovering from an accident. Blizzard read aloud the Ethics Statement in accordance with Executive Order No. 35.

AGENDA APPROVED

Lynn Wingate made a motion to approve the agenda, seconded by Joel Griffin; and the agenda was unanimously approved.

MINUTES APPROVED

Jessica Roberts made a motion to approve the May meeting minutes, seconded by Sabrina Bengel; and the minutes were unanimously approved.

COMMENTS FROM THE SECRETARY

Secretary John Skvarla, NC Department of Commerce commented on the strong business and economic climate in NC citing several statistical differences between today and four years ago. North Carolina Economic Facts can be found at nccommerce.com.

COMMENTS FROM THE SENATE

Senator Ralph Hise provided an update on the legislative process, having passed the budget and the new structure of the Travel & Tourism Board. Bill 1030 provides one senator and one house representative as members of the Board. These changes are a reduction from the current structure, and while he is not certain of who will be appointed, Hise thanked the Board for allowing him to serve. Several Board members expressed their gratitude to Hise for his dedication to the Board. Hise also commented on two topics of concern moving forward. The school calendar law and possible changes in flexibility in how occupancy tax revenues can be spent. Hise stated that now is the time to talk with legislators prior to the start of session in January 2017 about increasing travel and tourism marketing funds; protecting occupancy tax revenues; and impact to tourism of changing the school calendar law. These three issues will be up for debate moving forward.

LEGISLATIVE AND INDUSTRY REPORTS

Caleb Miles of the NC Travel Industry Association (NCTIA) & Destination Marketing Association of NC (DMANC) reported on the on-going consolidation of the two organizations. NCTIA is focusing on SIG groups and educational forums. This effort will culminate in the Tourism Leadership Conference on September 28 & 29 at the Kimpton Cardinal in Winston-Salem. They are also focused on hiring a new lobbyist.

Joel Griffin of the NC Restaurant and Lodging Association (NCRLA) reported occupancy tax laws are the most important objective NCRLA is addressing at this time. The group is identifying ways to remain flexible with acceptable occupancy tax expenditures, and has formed an occupancy tax task force. NCRLA continues to raise funds to support members of the legislature throughout the state. Griffin also announced the NC Restaurant and Lodging Expo will be held Wednesday, August 31.

Kara Weishaar, NC Travel & Tourism Coalition (NCTTC) liaison, reported that NCTTC held their quarterly board meeting in Asheville on August 15 with protection of occupancy taxes and the school calendar their primary concerns. NCTTC continues to work with NCRLA, hospitality staff, and legislators to find common ground on these issues. The NCTTC board will meet again in November, date yet to be announced. Weishaar also noted that NCTTC recently filed an Amicus brief with the NC Supreme Court regarding the public's right to use the dry sand beach in NC, a right NCTTC and others say is rooted in common law, acknowledged in the state's Constitution, and firmly established in the General Statutes, after a private land owner filed to restrict beach access to the area directly in front of their property. NCTTC continues to follow this important issue, and members are also keenly focused on the negative impact of HB2 on NC's tourism economy.

Bryan Gupton, NCDOT Visitor Services Division, provided an update to the Board stating that year-to-date Welcome Center visitation is seeing an increase of one percent. Construction along I-85, expected to extend through 2017, is impacting traffic along that corridor. Visitor services staff received a salary increase earlier this year of seven percent making salaries more competitive with current employment trends. I-26 East is experiencing a transition as Margaret Richey, an employee for 34 years, retires this fall. The addition of WIFI and charging stations to all Welcome Centers has proven very popular. This improvement was done at no additional cost to the Visitor Services Division budget using state owned equipment. New banner maps have been added to the Welcome Centers highlighting NC corridors and interstates. In June 2016, 5-1-1 calls were added to the toll-free call center's scope of work providing more relevance to the call center and saving NC Department of Transportation funds. These calls were originally handled by NCDOT computer software that received poor ratings. Calls to 1-800-VISIT-NC requesting visitor information have declined over the years. Visitors are more apt to go to VisitNC.com for travel information, but the call center still remains relevant for those users who prefer personal service for information on NC. Tammy O'Kelley, Chair, suggested that one reason for the decline in calls is that the toll-free number is no longer advertised in promotional collateral materials, and is not prominently displayed on VisitNC.com, suggesting that this should be looked at considering the current tourism climate.

Chris Chung, CEO of the EDPNC thanked Senator Hise for his support of the increase in tourism funding. Chung continues to look for connections between the EDPNC and Visit NC, specifically in areas where CVBs can host economic development conventions and annual events aligned with the EDPNC's business development sectors. One example includes The Institute for Professionals in Taxation, a group that Chung hopes will host their 2018 annual convention in the state. This combination of business and tourism is of major interest to Chung. Along these lines, Wit Tuttell plans to address the Economic Development foundation in October.

VISIT NC UPDATE

Wit Tuttell, Executive Director, Visit NC provided a budget update and four-year overview of budget increases and decreases. Over this time, the target market campaign has contributed \$2.7M to the increase of the budget. Tuttell discussed key findings from a recent TNS Survey, and reviewed welcome center traffic to eNews signup since February 2016. Visit NC is producing a target campaign for fall 2016 entitled "There is Beauty Here," a campaign reminding visitors of the beauty found in NC. This campaign will run in Richmond, Nashville, Greenville/Spartanburg, Columbia, Atlanta, and Jacksonville.

- **Research:** Marlise Taylor provided an update on NC visitor volume in 2015 – overnight market share dipped from 4.3% to 3.9%. Taylor stated this is something the Board will want to keep an eye on as budgets increase in other states. It is noted that new products drive county level visitor spending. Year-to-date through July 2016, lodging report numbers are positive, especially compared to the region and country. Each indicator for the seven-month time period showed positive growth over-year-to-date 2015. Room demand growth in NC leads both US and South Atlantic region growth year-to-date.

- **Public Relations:** The Visit NC public relations team recently provided industry partners with a Zika report. While Zika is not yet an issue in NC, staff wants to be proactive with tourism partners and prepared for any outbreak should Zika become an issue. This press release can be found online at partners.visitnc.com. The PR team is also involved in sponsoring the Inaugural Beer Marketing & Tourism Conference in Asheville. PR highlights include: Dr. Beach naming Ocracoke as one of its top beaches for 2016; Fodor’s Travel article on Yadkin Valley; and Kinston as a foodie destination in Saveur magazine. The In-State Media Mission will be hosted this evening following today’s Board meeting. This mission is to help local partners who focus on the in-state visitors.
- **Film NC:** The Film NC program was awarded an additional \$30 million in funding, but Guy Gaster, Director, is seeing a decrease in call volume and interest primarily due to HB2. New features include: Masterminds, Good Behavior (TV Series), Disappointments Room, and Six. The film office continues to see interest from vacation rental shows.
- **Partner & Industry Relations:** International marketing and public relations contracts have been awarded. Continuing for Visit NC in the UK is Travel & Tourism Marketing, and Connect Worldwide in Canada. Visit NC transitioned into the German speaking market, beginning July 1, to Lieb Management Group. Heidi Walters, Partner & Industry Relations Director, is heading to China in September for a China Mission. Amanda Baker was hired in July as the Partner & Industry Relations Specialist. She will handle Sports NC, Domestic Group travel, and International travel.
- **Marketing:** Visit NC recently deployed Snapchat, using it to raise awareness and reach a different market and newer generation of fans. By leveraging Instagram followers, Visit NC encourages people to choose the snapchat story of the day. Proving popular, Snapchat has passed Twitter with monthly unique users. Visit NC is using this launch to create a case study on launching a new social program. This information will be shared with partners when available.

Looking ahead, Visit NC will conduct audience research with Bellomy Research Company in Winston-Salem; partner with Vivian Howard to promote NC through her northeast food truck tour; deploy Shop 543; and as a midway point to the Visit NC 365 conference, Visit NC has been meeting with partners throughout the state at the Visit NC 365 Regional Listening Sessions.

COMMENTS FROM THE CHAIR

O’Kelley reviewed that during the Short Session, House Bill 1030, Section 15.6.(a) enacted the following changes to the structure of the North Carolina Travel & Tourism Board, effective September 1, 2016:

- The Board shall now consist of 19 members as follows –
 - The Secretary of Commerce – non-voting
 - The CEO of the EDPNC – non-voting
 - EDPNC – voting – (one Board member designated by organization)
 - NCRLA – voting/lodging sector
 - NCRLA – voting/restaurant sector
 - DMANC – voting (one Board member designated by organization)
 - NCTTC – voting (chair or chair’s designee)
 - NCTTC – voting (one Board member designated by organization)
 - NCTIA – voting (one Board member designated by organization)

- Speaker of the House – voting - four persons, one of whom shall be associated with the tourism industry; and one of whom shall not be a member of the General Assembly.
- President Pro Tempore – voting - four persons, one of whom shall be associated with the tourism industry; and one of whom shall not be a member of the General Assembly.
- Governor – voting – two persons, one of whom is involved in the tourism industry
- Terms –
 - Secretary of Commerce, Chair of NCTTC – shall serve while they hold their respective offices
 - Governor appointees – shall serve during his or her term of office
 - The specifics of remaining Board member terms are still being clarified, and will be addressed at our December 2016 meeting.
- Board seats removed from the Board, effective September 1 –
 - NCRLA – two seats (leaving the two explained above)
 - DMANC – two seats (leaving the one explained above)
 - NC Chamber – one seat
 - NC Petroleum Marketers Association – one seat
 - NC Watermen United – two seats
 - Senate – one seat
 - House – one seat
 - Governor – one seat

Clarification is still needed in terms of Senate and House representatives, governor appointees and term length. These changes will become effective September 1, and reorganization should be complete by the December meeting.

O’Kelley thanked all current board members for their service and dedication, including those who have faithfully engaged, but will no longer have seats. What precipitated these changes was the fact that the Board was simply too large to be nimble and responsive to important issues facing the travel and tourism industry. This reorganized board structure provides the ability to be more proactive in advising the Secretary in the development of the travel and tourism budget; promoting policies that support our industry; and advising the General Assembly on policy matters impacting travel and tourism. This Board’s oversight plays a significant function in the health of our state’s ability to create and sustain jobs for its citizens, and the continued development of our state’s overall economy.

Another item of interest is Section 15.6.(b) which changes the make-up of the Economic Development Accountability & Standards Committee (EDASC), which is treated as a Board by General Statute. This Committee now consists of seven members as follows:

- Secretary of Commerce, Chair
- Secretary of Transportation
- Secretary of Environmental Quality
- Secretary of Revenue
- Two members of the General Assembly

- ***Chair of the NC Travel & Tourism Board***

The purpose of this Committee is to oversee the relationship between Commerce and the EDPNC. As part of that oversight, the Committee conducts a biennial audit of the EDPNC, and provides a copy of that audit to the Travel and Tourism Board. O'Kelley stated that the first such audit is in process now.

CLOSING

Blizzard thanked everyone for attending the meeting. Caleb Miles made a motion to close the meeting, seconded by Kim Hufham; and the meeting was adjourned.

ADJOURNMENT

The meeting adjourned at 3:36pm.

Next meeting will be December 13, tentatively at the EDPNC.