



NORTH CAROLINA TRAVEL & TOURISM BOARD

MEETING MINUTES

August 15, 2017

BOARD MEMBERS PRESENT: Sally Ashworth, John Beatty, Rolf Blizzard, Mike Butts, Chris Chung, Rich Geiger, Joel Griffin, Mike Hawkins, Rick Moore, Tammy O’Kelley, Paula Wilber

BOARD MEMBERS ABSENT: Kevin Baker, Secretary Anthony Copeland, Kevin Corbin, Ralph Hise, Pat McElraft, Joe Pierce, Norman Sanderson, Robert Danos

LIAISONS, STAFF AND GUESTS PRESENT: Jim Hobbs, Rick Gunn, David Allen, Kevin Brafford, Scott Gilmore, Bryan Gupton, Karen Johns, Hal Johnson, Neel Lattimore, Catherine Locke, John Ogburn, Catherine Oliva, Austin McDowell, Mary Joan Pugh, Dana Simpson, Amber Skeen, Cyndi Tomblin, Michele Walker, Kara Weishaar, Reid Wilson, John White, Guy Gaster, Adam Glaser, Mark Shore, Eleanor Talley, Marlise Taylor, Wit Tuttell, Heidi Walters

Tammy O’Kelley, Chairperson, called the meeting to order at 10:12am.

WELCOME

O’Kelley welcomed Board members and guests to the North Carolina Zoo and thanked Pat Simmons for letting the Board meet at the Zoo.

O’Kelley introduced two new Board members – Mike Hawkins of Pisgah Enterprises is now representing the EDPNC board and Rick Moore from Kings Mountain is newly appointed by Governor Cooper. Joe Pierce with the Charlotte Hornets was also appointed by the Governor but unable to attend the meeting.

O’Kelley read aloud the Ethics Statement in accordance with Executive Order No. 35.

MINUTES APPROVED

O’Kelley asked for approval of minutes from the May meeting. Rick Moore made a motion to approve, seconded by John Beatty; and the minutes were unanimously approved.

COMMENTS FROM THE CHAIR

O’Kelley introduced David Allen, Chairman of the Randolph County Board of Commissioners, and County Manager Hal Johnson. Allen welcomed the Board to Randolph County and thanked everyone for coming out. Johnson echoed Allen’s comments and mentioned that they are fortunate in Randolph County to have two mega-sites – one being the Greensboro-Randolph Mega-site, the other being the NC Zoo. They are excited for the economic impact the new mega-site will bring to Randolph County and all of North Carolina. Secretary Copeland was unable to attend and sent his regrets for today’s meeting. O’Kelley passed along his thanks for the Boards’ advocacy efforts during the recent legislative session.

INTRODUCTIONS

Liaisons, staff, guests and Board members introduced themselves. Pat Simmons, director of the NC Zoo, thanked everyone for coming and expressed her readiness to work with the Board. She outlined new zoo initiatives to engage visitors including the Zoofari rides, wi-fi and exploring their lakes in paddleboats. Simmons stressed the commitment of the Zoo to conservation, education, and the citizens of this state.

O'Kelley recognized Wit Tuttell for assuming chairmanship of Travel South USA. She also thanked all the Board members and industry partners for the efforts made to preserve and increase the Visit NC budget, which is now finalized.

EDPNC UPDATE

Christopher Chung reported that the trend of foreign companies expanding into the United States continues in 2017 with North Carolina being one of the strongest options. The EDPNC successfully leveraged a successful PGA Championship in Charlotte showcasing the city, the region, and North Carolina to a wide array of guests on the business and tourism sides. The EDPNC worked with VisitNC and the CRVA to help host European travel and tour operators, as well as site selection consultants.

VISIT NC UPDATE

Wit Tuttell presented an update on the recent accomplishments and results, as well as the future goals and strategies for Visit North Carolina. Tuttell began by discussing the Ocracoke and Hatteras power outage crisis stressing the efforts of the Visit NC team and Bryan Gupton's Welcome Center team at Commerce working together to get travelers up-to-date information as quickly as possible. There was a concerted effort to re-accommodate as many people as possible to keep them in North Carolina. Small businesses often feel the impact of this kind of crisis, so the EDPNC implemented a relief program like the one used last year for businesses impacted by the floods, hurricanes, and wildfires. The qualifying businesses would be included in co-ops and marketing opportunities with VisitNC.

The 2016 county level spending data, which the Governor released earlier in the day, showed 97 counties had an increase in spending. Only three saw decreases all attributed to hurricanes, flooding or road construction. Cherokee county took the top spot emphasizing the impact of the new casino that opened late last year.

The mountains had a strong 2016 with 14 of the top 20 counties showing an increase in visitor spending in that region. A lot of the lodging and attraction data also indicated that the mountain region had a very strong 2016. Worth noting is that five tier one counties and four tier two counties were in the top 15 – showing tourism growth in small counties where it is especially important. The Coastal Region had a 4.8% increase in visitor spending and the Piedmont Region increased by 3.9%.

The current June 2017 lodging data for the state showed demand had risen 1.6% - an increase, but not as much as NC's competitive set. An influx of supply across the state caused a drop in occupancy with more rooms available to fill. It has still been a record first 6 months despite the jump in supply negatively effecting growth. Both room supply and room demand are at record levels in NC, with the increase in demand ultimately surpassing growth. Since 2010 the demand for NC lodging has increased more than 29%, while supply grew by 7%. Since 2009, lodging revenues have grown 74%, and at the half-year mark revenues are at more than \$1.7 billion. Wit Tuttell noted that demand growth in NC has fallen behind GA, SC, TN, and VA. Slow growth is being seen nation-wide, and our performance is often a pre-cursor to what is seen nationally. This slow growth can be attributed to many things, however, each state in our competitive set has a budget that is double or triple North Carolina's, making it that much more difficult to compete. Despite this NC remains the sixth most visited state in the country.

The PGA Championship in Quail Hollow presented an opportunity to market North Carolina on an international level. Visit NC brought in 20 international golf tour operators and golf media to experience the PGA Championship as well as play NC golf courses. Travel South remains a valuable partner allowing NC to market internationally at a fraction of the price working with surrounding states to bring international travelers to the South. Recently the Visit NC team traveled to the UK on a sales mission with Georgia and South Carolina to promote tour operator packages that encompass a trip to the South. As almost all the tour operators that come to NC engage in another state as well, leveraging these partnerships saves money and allows more reach.

In January 2018, Charlotte is hosting the American Bus Association Marketplace, and Visit NC is coordinating six FAM tours. The Visit NC team held a TRAC program in Dobson county recently; it was the most successful one to date, with almost 70 people attending. The TRAC program allows the Visit NC team to help local tourism businesses learn the resources available. Visit NC's Retire NC program started working with research company Focus 3, who will survey people who moved to NC within the last year to find out why they came. The company will also survey leads to find out how many can be converted to NC retirees, as well as what is bringing people here.

Visit NC ran a targeted spring and summer marketing campaign in Atlanta, Washington, and Nashville. Website visits from these three cities rose 64.2% with Washington seeing the greatest rise at 90.9%. A new analytics platform, Arrivalist A3, is being used to track people who go to the Visit NC website or see other advertisements and then subsequently visit the state. The platform has logged arrivals in 82 of 100 counties over 6 weeks, with a 51.9% arrival lift and 39.7% stay lift. Arrivalist gives insight into where these visitors come from, allowing the Visit NC team to focus marketing efforts on specific areas.

This past Spring's RhythmOne digital influencer program performed exceedingly well, with the participating partners more than doubling the company's 2016 benchmark for travel and tourism campaigns. John Beatty asked Tuttell to expand on the metrics used to track the efficacy of the social media digital influencer. Tuttell replied that social can be hard to track, so Earned Media Value is used instead.

The Visit NC team reported over 80 partners have already committed to investing \$934,000 into the cooperative advertising and PR programs. In early July, the Summer of Now campaign kicked off highlighting different trip destinations every Wednesday. Another new program, the North Carolina Donald Ross Golf Experience, focuses on his courses and is featured on VisitNC.com and in native advertising. Tuttell noted that originally sweepstakes were planned, but destination partners could not recruit participants, an ongoing challenge when marketing golf destinations.

Visit NC more than doubles its advertising leverage through PR engagement. This is accomplished by hosting media, such as Ashley Day from USA Today and other beer writers, who were brought in for the Beer and Marketing Tourism Conference held in Asheville. This subsequently resulted in stories in USA Today and many other publications. Visit NC's Canadian Media Mission resulted in Revival 1869 in Clayton being included in the Toronto Sun's "Perfect Recipes to Celebrate Patio Season".

The North Carolina Film Office saw \$15M added to FY 2017-18 and \$31M for FY 2018-19. Filming has wrapped on "Love It or List It" and will wrap on "Good Behavior" September 1st. A new target campaign is being launched in late July and focuses on bringing more film business to NC incorporating press releases, media visits, and studio visits. A new film, "Three Billboards Outside Ebbing, Missouri", filmed in North Carolina and highlights prime filming locations around the state.

Bryan Gupton with the NC Welcome Center program spoke on the construction being done on Interstate 85 and the closure of I-95 North Welcome Center in Warren County for 60 days. This will impact Warren county numbers, but Welcome Center employees will focus on education and visit sites around NC. Every five years all eligible Travel counselors and managers are recertified by the National Council of State Tourism Directors, and the entire NC Welcome Center team was recently recertified.

OUTDOOR RECREATION INITIATIVE UPDATE

Senator Rick Gunn presented details about the Outdoor Recreation Initiative and the establishment of the North Carolina Outdoor Recreation Office by the General Assembly at the NC Department of Commerce. It includes recurring

funds of \$250,000 and one full-time position. Utah, Washington and Colorado are noted as states with established offices. North Carolina is the only East Coast office, which is viewed as an opportunity to recruit new economic development to the state. Goals include recruiting outdoor recreation companies, outdoor recreation manufacturers and establishing a North Carolina Outdoor Recreation Business Coalition (envisions gear manufacturers and outfitters as members). Mike Hawkins commented access to outdoor recreation helped attract relocation and investment into more rural areas. Also, Sen. Gunn highlighted additional funds from the Connect NC bond effort (\$25 million/approved) to enhance, develop and grow the NC Zoo.

INDUSTRY UPDATES

Rich Geiger with DMANC reported on their efforts working with DMAI and other industry advocates to prevent travel boycotts used to protest social policy. HB2 is still having a negative influence in many areas.

Mike Butts with NCTIA mentioned the upcoming Tourism Leadership Conference in September at Charlotte's Ballantyne Hotel.

Paula Wilber and Joel Griffin representatives from NCRLA announced the passage of the Brunch Bill, the efforts to pass the "Grill bill" allowing restaurants to cook food for customers on outside grills and the defeated meals tax bills in Brunswick and Caswell counties. NCRLA is advocating for HB 511 regarding legalization of non-profit fundraisers featuring games of chance and alcohol, which may be revisited in September special session.

John Beatty with the Coalition reiterated the position of the Coalition on the Visit NC budget, occupancy and meals taxes, school start, and several other issues.

Jim Hobbs with the NC Hospitality Alliance expressed concern regarding North Carolina's market share position and reiterated importance of increased funding for Visit North Carolina's marketing efforts to compete against its peers. The NC Hospitality Alliance reinvigorating its "Save Our Summers" efforts from 2004 in support of the school calendar law and its positive impact on the quality of life for North Carolina's teachers, families and seasonal job opportunities for students.

O'Kelley thank everyone for attending. Meeting was adjourned.