



## **NORTH CAROLINA TRAVEL & TOURISM BOARD**

### **MEETING MINUTES**

November 19, 2019

**BOARD MEMBERS PRESENT:** Jim Beley, Mike Butts, Christopher Chung, Senator Chuck Edwards, Jonathan Fussell, Senator Rick Gunn, Kim Hufham, Joe Pierce

**BOARD MEMBERS ABSENT:** Sally Ashworth, Rolf Blizzard, Stephanie Brown, Representative Kevin Corbin, Secretary Anthony Copeland, Representative Holly Grange, Mike Hawkins, Lynn Minges, Richard Moore, Sharon Sexton, William Traurig

**LIAISONS, STAFF AND GUESTS PRESENT:** Isabel Villa Garcia, Guy Gaster, Scott Gilmore, Adam Glaser, Bryan Gupton, Lex Janes, Karen Johns, Brooks Luquire, Eleanor Talley, Marlise Taylor, Cyndi Tomblin, Wit Tuttell, Heidi Walters

Mike Butts, Chairperson, called the meeting to order at 10:33 am.

#### **WELCOME/COMMENTS FROM THE CHAIR**

Butts welcomed Board members and guests to the NC Legislative Building. Liaisons, staff, guests and Board members introduced themselves. Butts read aloud the Ethics Statement in accordance with Executive Order No. 35.

#### **EDPNC UPDATE**

Chris Chung, CEO of the Economic Development Partnership of North Carolina (EDPNC), provided the EDPNC update. The NC Travel and Tourism Coalition has appointed Rolf Blizzard to the EDPNC Board in place of Mark Bellissimo. The EDPNC contract with Commerce has been renewed through the end of 2022. The contract adds Secretary Copeland to the EDPNC Board as an ex officio member and removes the specific dollar requirement of private fundraising by the EDPNC. In late January the EDPNC will be moving offices to the Wells Fargo building in downtown Raleigh. The Small Business Support team is currently on track to break the 20,000 assisted cases mark for the fourth straight year. Existing Industry and Recruitment is on pace for close to 19,000 new jobs announced in tier one and two counties for the third straight year. The EDPNC is looking forward to a successful 2020.

#### **VISIT NC UPDATE**

Marlise Taylor, Director of Tourism Research for Visit NC (VNC), began the update with a recap of 2018 county level visitor spending. Each region within the state saw visitor spending growth of over 5%. A map of the top 30 counties in terms of increased visitor spending showed increases spread across the regions as well as tier levels. Reviewing current 2019 commercial lodging numbers year-to-date through September, Taylor noted how closely demand is looked at, as it represents total room nights sold. Room demand is currently up 4% and room revenues are up 6.5% - both ahead of US and South Atlantic figures. Many of these are record YTD numbers: room demand (28.6 million), room revenues (\$3.1 billion), occupancy (67.1%), ADR (\$106.69), RevPAR (\$71.78), and room supply (42 million). Reviewing NC's competitive set, demand growth is just short of Tennessee, but higher than Georgia, South Carolina, and Virginia. Two-year growth shows NC much closer to Tennessee's growth, around 8%.

Visit NC is doing two hurricane perception studies – one complete and one in process. Taylor reviewed data from the first, with 620 people contacted in target markets SC, GA, TN, and VA, as well as secondary markets NY, MD, OH, FL, PA, and NJ. Most responses did not have a clear perception as to the level of recovery. Last year’s hurricane perception study showed clear differences in primary and secondary market perceptions, although little difference could be seen between the two this year. Out of the respondents currently planning travel to NC, 75% were either not affected by the storm or expect the destination will recover by the time of their trip. Only 1% of respondents indicated that Hurricane Dorian caused them to either cancel or move their trip outside of NC. Taylor noted that the perception studies are new and exciting research that allows VNC to move faster in changing messages and changing perceptions. Kim Hufham noted how helpful last year’s perception research was for them in creating efficient marketing.

## **MARKETING**

Wit Tuttell, Executive Director of VNC, provided the marketing update. The “Firsts That Last” campaign was recently awarded a Mercury Award from the US Travel Association’s National Council of State Tourism Directors. VNC competed against Michigan and Oregon, two states with much larger tourism budgets. This is the 11<sup>th</sup> award won by the campaign. Regarding hurricane response, Tuttell noted the importance of providing accurate information to visitors in a timely manner. As a response to the hurricane, VNC partnered with Expedia to help encourage fall travel to the state - especially the Coastal region. Tuttell mentioned that previous Director of Marketing Mark Shore has moved to Virginia to start a consulting agency – VNC is currently interviewing candidates for his position. Film Director Guy Gaster is currently the interim Director of Marketing.

VNC is expanding on the “Firsts That Last” campaign and has begun a “First Expressions” video series. Tuttell showed the board the first two completed videos, filmed at the Divine Llama Vineyards in Yadkin Valley and Grandfather Mountain’s Mile High Swinging Bridge. The videos capture the authentic first impressions of real visitors as they experience each location. NC’s Hot Sauce Festival in Oxford and the Karen Beasley Center’s release of rehabilitated sea turtles will be the focus of additional videos. After a recent study of pet owners showed that 45% traveled with their pet VNC hired the world’s first Dog Travel Agent, Mo, after more than 500 applications from NC dogs were submitted. The campaign has already generated tremendous buzz, generating 6 million impressions, stories on several television outlets, and a great piece in Southern Living.

## **PUBLIC RELATIONS**

Eleanor Talley, VNC PR Manager, highlighted recent PR efforts, particularly on the international front. Through working with partner agency Lieb, the VNC PR team has generated 1.5 billion impressions throughout the German market thus far in 2019. The Outer Banks were featured on the cover of Lufthansa magazine, with a second story in January 2020. The PR team continues to focus on its targeted list of top 100 media outlets, with stories in Forbes, Food Network, Southern Living, Men’s Journal, and Travel Channel generating 160 million impressions over this past quarter. Tuttell noted how important PR is due to the believability of a third-party endorsement.

## **FILM**

Director of FilmNC Guy Gaster provided the film update. Current spending by productions in the state for CY19 is currently between \$165 and \$170 million. This is triple the previous years total spending and the highest out of the previous five years. While usually a slow quarter, the fourth quarter is going strong with projects “Halloween Kills”, “The Eyes of Tammy Faye”, and “The Georgetown Project” currently filming. Overall 2019 has been an exceptionally strong year for FilmNC.

The state’s Film Council was recently re-established and will meet in December to discuss priorities going forth. The council currently has 23 members and will be chaired by DNCR Secretary Susi Hamilton. It will primarily make recommendations to the Governor as how to further the film industry in North Carolina. Two productions filmed in NC are set to debut later this year – the streaming series “Reprisal” debuts December 6 and Hallmark Channel’s “A Christmas Love Story” debuts December 7.

## **PARTNER AND INDUSTRY RELATIONS**

Heidi Walters, Director of Partner and Industry Relations, provided the PIR update. Walters recently completed several important meetings with partners and potential visitors in Europe. The Nordic countries are in the top 20 in terms of visitation to the state, and their willingness to drive coupled with speaking English make them a market with ample room for growth. Through a partnership with Travel South USA, Walters held tour operator trainings in Denmark and Sweden. Walters also hosted media and tour operators at the Panthers’ football game in London.

VNC teamed up with partner Visit Raleigh to host an evening with chef Ashley Christensen. The event took place in the Paris home of John Grisham and was attended by journalists, tour operators, and airline representatives. While in Paris Walters participated IFTM – the largest travel tradeshow in France. Prior to this VNC’s Wit Tuttell and Amanda Baker attended the first annual Brand USA Europe tradeshow. At the end of the week-long tradeshow VNC hosted tour operators and media at the Goodwood Revival – an immensely popular three-day festival featuring antique car racing.

SportsNC recently sponsored the Connect Sports Tourism Excellence Awards and was joined by partners across the state. Amanda Baker is currently attending the TEAMS conference. For the fourth year VNC offered “excursions” during the Cycle NC Mountains to Coast ride. The excursions help in spreading the economic impact of the ride across largely rural communities. Andre Nabors has been attending Civil War Trails Regional meetings in an effort to update trailer markers and maps. VNC is partnering with The Grammy Museum, DNCR, and the John Coltrane Estate to bring the John Coltrane Exhibit to the state next year. Work is still being done on a potential Civil Rights Trail Experience through a partnership with DNCR. Johnston County and the City of Salisbury are the newest members of the RetireNC program. Last year’s changes made by legislation has led to increased interest in the program.

The Visit NC 365 annual conference will be held in Asheville, March 22-24 at the Omni Grove Park Inn. Shane Snow and Paolo Mottola will be the keynote speakers. Joe Pierce noted the Hornets will be playing in Paris on January 24 and have partnered with the Charlotte Regional Visitors Authority to produce a promotional event. Chris Chung asked what Scandinavian visitors are looking to experience when traveling to the South. Walters replied that they are more family oriented and adventurous.

Tuttell noted that their ample vacation time provides opportunity to explore and find authentic experiences.

#### **LEGISLATIVE UPDATE**

Senator Rick Gunn provided the legislative update. He remains hopeful that they will find a way to resolve budgetary issues. Sen. Gunn recently attended the Outdoor Economy Conference in Asheville, which saw attendance of over 500 people from 15 states. Sen. Gunn noted that Amy Allison was named as the new director of the NC Outdoor Recreation Industry Office for the EDPNC. The recent modernization and reform of alcohol policy in NC will enhance the industry at a local level across the state. Changes to policy regarding stadium sales, casino nights and non-profits all work to legitimize and enrich the industry.

The extension of the historic tax credits is key for economic and tourism development within the state. Sen. Gunn noted progress made on the film incentive is a step in the right direction. A Burlington mill is currently being developed into an NC-focused film industry complex and looks to offer courses as well as studio space. Senator Chuck Edwards mentioned the Disaster Relief Bill, which was recently passed and will benefit the state's tourism industry. The extension of jet fuel tax discount legislation eased concerns from major airlines. Mike Butts thanked them both for the updates and their continued support. Jonathan Fussell inquired as to when hotel bar legislation regarding drink limits was enacted. Sen. Gunn answered in October and that it only applies to beer and wine.

#### **COMMERCE UPDATE**

Lex Janes provided the Commerce update and expressed gratitude to all parties for their cooperation in getting the contract renewal finalized. Commerce is particularly interested in the hurricane perception research being done. Janes asked that Tuttell and Taylor share the next survey's findings with Beth Gargan.

#### **WELCOME CENTER UPDATE**

Bryan Gupton provided the Welcome Center update, reporting traffic up by 3%. The reopening of I-40W and I-95N has been delayed due to Department of Transportation funding issues - they are looking to finish in early 2020. Gupton noted improvements being done to the Charlotte Welcome Center thanks to operational expenses reallocated from the two closed welcome centers. Call Center calls are down 23% and Visit NC calls are up about 7%. DOT recently shifted their 511 and customer services lines to the Call Center, and a reworking of their contract is in progress.

#### **CLOSING**

Mike Butts congratulated LGA and the Visit NC staff on their Mercury Award and thanked everyone for the work they do. The meeting was adjourned at 11:46am.