



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

August 16, 2011

BOARD MEMBERS PRESENT: Josh Bass, Rolf Blizzard, Sabrina Bengel, Sec. Linda Carlisle, Chris Cavanaugh, Teresa Damiano, Denny Edwards, Penny Leary-Smith, Lynn Minges, Joan Pulley, Robert O'Halloran, Steve Thanhauser, Mitzi York

BOARD MEMBERS ABSENT: Dale Carroll, Randy Cobb, Sec. Keith Crisco, Lew Ebert, Rep. Phillip Haire, Rep. Susi Hamilton, Kim Hufham, Vimal Kolappa, Randy Kolls, Davin Olsen, Thomas Pashley, Harris Prevost, Leonard Rigsbee, Tom Ruff, Susan Spangler

LIAISONS, STAFF AND GUESTS PRESENT: Peggy Brookhouse, Juli Cooney, Steve Dunkley, Scott Gilmore, Maeve Goff, Bryan Gupton, Brooks Luquire, Agnes Stevens, Paul Stone, Eleanor Talley, Wit Tuttell, Jon Williams

CALL TO ORDER

Steven Thanhauser called the meeting to order at 11:20 a.m. He announced the release of the county economic impact numbers showing 2010 was a strong year for the NC tourism economy. The statement of duty was read aloud (Ethics policies EO 34 and EO 35).

MINUTES APPROVED

Sabrina Bengel motioned to approve the May 10, 2011 meeting minutes. The motion was seconded by Josh Bass and unanimously approved.

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Steve Thanhauser welcomed the Board to the Angus Barn and introduced the new advertising team, Luquire George Andrews (LGA), expressing satisfaction with the smooth agency transition. Then, all the board members and liaisons introduced themselves from their seats at the table.

DIVISION UPDATE BY LYNN MINGES

Lynn Minges shared the Governor's release of the 2010 county economic impact numbers with 98 of 100 counties showing growth in the tourism industry.

The Smith Travel Report showed 2011 shaping up to be a very good year. Hotel occupancy was up 5.0%; room rates were up 2.2%; and demand was up 6.2%.

The Division did not lose any funds in the 2011-12 budget process; however the budget is lagging behind other competitive southern states which are bound to affect North Carolina in the future. The Virginia Governor has embraced tourism, pumping a considerable amount of funds into their marketing budget and this is a concern as North Carolina fights for market share. Impacts on visitor spending include admissions to state attractions that previously were free to the public and an increase in admissions to attractions such as the North Carolina Zoo in Asheboro.

During its last session, the General Assembly charged the Division with marketing the state's Certified Retirement Communities, which have been officially recognized for positioning themselves to attract retirees as an economic and community development strategy. The NC Wine and Grape Council was abolished, and the Division will be focusing on Wine Tourism as a separate niche in the marketing strategy. This brings about different marketing goals and new tourism aspects within their marketing campaign.

This year the Division will be conducting the Mid-Year Marketing Update (MYMU) in a more personal and focused format for the regions within the state. Division staff will be going into the field to conduct the MYMU for each region allowing a deeper focus on the research, regional studies and partner surveys discussed in each of the four updates.

9/8 MYMU-Asheville

9/16 MYMU-Atlantic Beach

9/14 MYMU-Nags Head

9/23 MYMU-Concord (*in conjunction with DMANC*)

There are many upcoming opportunities in NC including the Southern Governor Association Conference, where approximately 300 high ranking officials will be hosted by Governor Perdue at the Grove Park Inn in Asheville, and the Democratic National Convention (DNC) in September 2012, where 35,000 delegates will be in NC with an approximate economic impact of \$200 million. The Division is exploring and producing new ways to leverage all of North Carolina to these delegates.

North Carolina Division of Tourism has earned many accolades recently including Best Interactive Travel Guide in the country. Several NC properties were on Travel + Leisure's World's Best Lists including Biltmore Estates, Sanderling Resort, Umstead Hotel and Spa, Grove Park Inn and Westglow Resort and Spa. Asheville was also featured on the ten most beautiful places contest by Good Morning America.

Film opportunities in North Carolina are booming. The Hunger Games, the largest film produced in NC will be released in March 2012. There high profile stars and approximate crew of 5000 are a huge boost and pave the way for the future of large film productions in NC.

COMMENTS BY Luquire George Andrews (LGA)

Peggy Brookhouse, President of LGA, introduced herself thanking the board for the opportunity to work with the strong NC brand. LGA, a full service advertising agency was founded in 1984 and currently has 50 employees. Their focus is to grow visitation to the state. Steve Dunkley, Chief Creative Officer for LGA, discussed evolving the tourism brand of *Simple Pleasures* by bringing about a "deeper connection" to North Carolina making their stay longer and more involved with the area.

MARKETING UPDATE FROM WIT TUTTELL

Overseas arrivals to North Carolina in 2010 posted an 11 percent increase from 2009, according to numbers recently announced by the U.S. Dept. of Commerce. North Carolina came in at #17 on the list, with an estimated volume of 343,000 overseas visitors.

Fall 2011 will be all about great color in NC and "Color Outside the Lines". This will be highlighted in wine, food, events and all other fall aspects. Additional eblasts, sweepstakes and Groupon style promotions will occur throughout the season. Brunswick Islands, Greensboro and High Country Host are being featured in the largest promotion *Good Housekeeping* has ever done.

Some highly visible public relations highlights include a four page *Saveur* article featuring NC barbeque. The pirate press tour debuted in conjunction with the newest *Pirates of the Caribbean* movie featuring Blackbeard giving it additional momentum. International public relations had four online articles most stemming from the UK Press trip featuring Lake Lure and the Dirty Dancing festival. POW WOW was May 21st in San Francisco where NC representatives met with over 60 international tour operators to sell NC as a destination of choice for the international market. CHUM FM, a popular Canadian radio station ran \$43K worth of media coverage.

COMMENTS BY LEGISLATORS AND BOARD LIAISONS

Rolf Blizzard expressed the Travel and Tourism Coalition's continued concern for the state tourism budget, existing tax codes, support of casino nights and redistricting issues across the state. The school calendar issue was discussed, as Macon County was granted permission to start school August 4th, which prompted a lawsuit, an injunction and a court hearing with a judge in October.

Secretary Linda Carlisle, of the North Carolina Department of Cultural Resources discussed the research being done to look at all state attractions. There will be an analysis of cost, attendance and other variables to evaluate if all attractions should be housed in one department. The Secretary is not in agreement that this should take place as all attractions do not have the same needs, focus or structure. The 2nd Saturday's program that ran through July was up 30% over the previous year and Secretary Carlisle hopes to continue to fund this successful event.

Jon Williams, ABC Commission Chairman announced liquor sales were up 2½ %, beer and wine tax revenue through March 2011 was up 10%. Keenan Flagler School is conducting a satisfaction survey to gain more textured data to help with the growing trends in NC as well as an expanding warehouse in Clayton.

Paul Stone of NCRLA is still cautious, but he reports a better year in 2011. NCRLA endorsed the pool fence bill (S368) with great success saving small business owners a great deal in up fitting. NCRLA also supports Save Our Summers and any efforts to preserve the school calendar law.

Mitzi York of DMANC reported for Kim Hufham of NCTIA about the upcoming initiatives including their major combined conference in Concord in September.

Denny Edwards of DMANC discussed the upcoming launch of a young professionals group to encourage and mentor hospitality professionals from the younger generations.

CLOSING COMMENTS FROM THE CHAIRMAN

Steve Thanhauser expressed his thanks for the honor of hosting the Travel and Tourism meeting at the Angus Barn, particularly to LGA and their support in the transition.

Meeting adjourned at 1:27p.m.