

NORTH CAROLINA TRAVEL AND TOURISM BOARD



MEETING MINUTES

December 15, 2009

BOARD MEMBERS PRESENT: Chris Cavanaugh, Secretary Keith Crisco, Teresa Damiano, S. Lewis Ebert, Kim Hufham, Randy Kolls, Penny Leary-Smith, John Meroski, Lynn Minges, Davin Olsen, Harris Prevost, Joan Pulley, Steve Thanhauser, Mitzi York

BOARD MEMBERS ABSENT: Sally Ashworth, Haddon Clark, Senator Don Davis, Joyce Dugan, Rep. Phil Haire, James Meacham, Tom Pashley, Senator Joe Sam Queen, Jamie Reibel, Leonard Rigsbee, Tom Ruff, Susan Spangler, Anne Steketee, Richard Thigpen, Rep. Alice Underhill

LIAISONS, STAFF AND GUESTS PRESENT: Secretary Linda Carlisle, Maryanne Friend, Scott Gilmore, Bryan Gupton, Russ Haddad, Keith Hardison, Josh Howard, Jennifer Jenkins, Amy McConkey, Kristen Michael, Kim Price, Eleanor Talley, Wally Wazan, ABC Chairman Jon Williams

CALL TO ORDER

Chairman Steve Thanhauser called the meeting to order at 11:05 a.m.

MINUTES APPROVED

John Meroski motioned for approval of the August 18, 2009 meeting minutes. Randy Kolls seconded the motion. The motion passed unanimously.

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Steve Thanhauser introduced and recognized new board members Kim Hufham, incoming NCTIA president and President/CEO of Wilmington/Cape Fear Coast CVB, and Mitzi York, incoming president of the DMANC and executive director of Brunswick County CVB. He reviewed the new executive orders 34 and 35 that applied to the board from Governor Perdue, welcomed Kim Price from the Randolph County Visitors Centers and mentioned the importance of attending the NC Governor's Conference in New Bern in March 2010. He then introduced Secretary Linda Carlisle and ABC Chairman Jon Williams and invited them to make remarks.

Steve also read the following statement, which will be read at every future board meeting. It is the duty of all members of the Travel and Tourism Board to always act in the best interests of the public without regard to their financial or other interests. Any board member who cannot meet this standard should recuse himself from any votes that conflict with his board duties.

COMMENTS FROM SECRETARY LINDA CARLISLE FROM NC DEPARTMENT OF CULTURAL RESOURCES

Secretary Carlisle thanked the board for the opportunity to introduce herself and highlighted the collaboration between Cultural Resources and the Department of Commerce. She discussed the creative economy in NC, and its impact on jobs, communities and overall economy of the state. She highlighted several new programs Cultural Resources was working on in 2010 including the Civil War 150th Anniversary, second Saturdays at Historic Sites across the state, Celebrate NC and the explosion of arts and culture with the opening of new museums and tourist sites. She thanked the division for its help in marketing Cultural Resources programs.

COMMENTS FROM CHAIRMAN JON WILLIAMS OF THE ABC COMMISSION

ABC Chairman Jon Williams thanked the board for welcoming him to the meeting. He highlighted the importance of the relationship between the ABC Commission and the hospitality industry, as he discussed how the \$5 Billion industry plays an important role in our state's economy, public safety, health and commercial activities. He joins the board as a non-voting member to better understand the travel and tourism industry for this role as Chairman of the ABC Commission. Chairman Williams said he looks forward to being a partner with the board.

DIVISION UPDATE BY LYNN MINGES AND JENNIFER JENKINS

State of the Industry

NC continues to face challenges in the industry. Hotel occupancy levels are still well below 2008 levels, but on a positive note they have not gotten worse. Year-to-date through October, occupancy statewide is down 10 percent; similar to the US level (-9.4 percent YTD) and competitive states. Leisure travel is still strong while meetings and conventions are down significantly. Room rates are holding up well across the state; while down some, the NC rates have held up much better than the national average.

Attractions in NC are still faring relatively well, when considering the general economy. Overall attraction attendance in NC year-to-date is down about 3 percent. State and National Park attendance is up about 16 percent.

The Division led a delegation of 16 leaders from NC's travel industry to Washington, DC with hundreds of travel colleagues for the Travel Leadership Summit in September 2009. Participants included the Grove Park Inn, the Angus Barn, Chapel Hill CVB, Charlotte CVB and many other others. The summit focused on the passage of the Travel Promotion Act.

The Travel Promotion Act has now passed the House three times and the Senate twice this year. Currently the bill awaits final passage in the Senate, but the timeline is unknown, as the Senate grapples with the Health Care bill. It could be early January before the bill is voted on in the Senate. The US Travel Association has been working hard to develop a working plan for the expected \$100 million dollar private public partnership that would result from passage of the bill, so the industry can hit the ground running.

US Travel Association has continued to work to promote the Meetings Mean Business campaign, producing research to quantify the impact of business travel on the economy and jobs across the US. They have also developed several PSAs in conjunction with the Travel Channel. The four spots will be running regularly to promote the benefits of travel and the website discoveramerica.com.

The Blue Ridge Parkway 75th kicked off Friday, November 13, 2009 with Lynn Minges and her Virginia counterpart Alisa Bailey kicking off the opening weekend celebration. The executive director of the 75th anniversary is on loan from the NC Division of Tourism. The 2010 Travel Guide cover will feature the parkway on the cover, a two-page parkway map and 20 fun things to do on or near the Parkway.

Civil War 150th Anniversary Celebration will take place from 2011-2015. Lynn Minges traveled to a meeting in Washington DC with her counterparts from Maryland, West Virginia, and Tennessee to discuss how to regionally market the anniversary. The group developed universal guidelines and specifications for each state to follow, as they work to market the event as a region.

International travel continues to see slippage across the United States, as well as in NC, which saw a 1% decline in international visitors. However, airlines continue to add international flights across the state with new direct flights to Rio, San Paulo, Paris, and Rome coming in 2010.

The division launched the new sportsnc.com website in October. Sports continues to be a segment of the industry that is seeing growth despite the economic downturn. The new site will help to promote NC as a sports destination. The site was launched in advance of TEAMS in New Orleans where it was announced that Charlotte will host the 2010 TEAMS conference. Over 30 partners from NC attended TEAMS in New Orleans and were on hand for the announcement. The division is also

working to develop a sports impact study with several partners across the state including Duke Energy.

One major event that occurred this fall was the 1-40 rockslide near the Tennessee/NC border. The division worked hard to immediately get out information to NC travelers that the region was still accessible, as the slide occurred at the peak of fall foliage in the mountains. The division's PR Team did an excellent job of getting the word out through press, radio, media, and the website using research funded by the Division, Biltmore and the Asheville CVB to target specific areas. The division worked closely with the state DOT and the Governor to make sure that visitors were informed and aware of the impact of the rockslide.

The PR Team also worked hard this fall promoting fall foliage on several national media outlets including the Today Show and the Weather Channel. They hosted a press trip to Germany and extensively promoted wine across the state through the media. The division hosted a media mission in Greenville, SC in November and is planning a media mission to New York City in January 2010.

The Simple Pleasures ad campaign continues to be a success with two new ads living the story and affordable indulgences joining the "tree", "hopscotch", and "city" ads currently being circulated. The division continues to reap the benefits of its partnership with the NC Association of Broadcasters and the NC Press Foundation in promoting travel to in-state residents. There are also several new radio spots running that complement the current print campaign across the state.

Jennifer Jenkins previewed the latest enhancements to VisitNC.com including new journeys, travel offers, videos and sweepstakes. Visitation to the website is up for 2009. The sweepstakes have been such a great value and success; they are sold out through 2010. The division also launched a 10 week campaign for the fall called Fun Fall Getaways, which has been a huge success. The plan is to capitalize on that success for the spring and summer of 2010 with shorter 6 week programs. The Home of the Brave journey debuted online this fall, and a Furniture Journey will preview this spring.

The division continues to focus on co-op advertising opportunities for industry partners and maximizing exposure through the publications it chooses. This allows partners to get more for their money. The division will soon be launching online ads using geographic targeting and videos from visitnc.com to enhance the visitor experience.

The 2010 Travel Guides are in featuring two covers- 75th Anniversary of the Blue Ridge Parkway and the 300th Anniversary of New Bern featuring Tryon Palace.

UPCOMING EVENTS:

- NC Governors Conference on Tourism—New Bern, March 21-23, 2010.

SOUTHERN CAMPAIGN OF THE REVOLUTIONARY WAR OVERVIEW WITH RUSS HADDAD, KEITH HARDISON AND JOSH HOWARD

The Division and the Department of Cultural Resources are working together help create a Revolutionary War Heritage Area in the South encompassing part of North and South Carolina, including over 50 counties in North Carolina. If the area is successfully named a heritage area, there is the potential for federal dollars to support the development of trails and other programs similar to the Civil War Trails program already in existence. The Division and Department of Cultural Resources have worked hard to develop a study, gather public comments and meet with the NC Congressional delegation to advance this federal project. The project also has the support of Representative Spratt

from the SC Congressional delegation. With the completion of the study, the heritage area should be put in a bill on the House floor in the spring of 2010, if all goes well.

A resolution was proposed in support of the Revolutionary War Heritage area with the motion of support by Kim Hufham and Chris Cavanaugh seconding her proposal. The resolution was adopted unanimously and will be sent to the NC Congressional delegation.

KIM PRICE PRESENTS RANDOLPH COUNTY VISITORS CENTERS OVERVIEW

Kim Price presented the structure and services that her company will be offering in the private public partnership with DOT to run the Randolph County Visitors Centers. Her company will be creating 11 new jobs and offering the same services and standards followed at the NC Welcome Centers with some extra enhancements. It will cost \$350 a year for a la cart brochure display at the visitor center.

BRYAN GUPTON PRESENTS WELCOME CENTER UPDATE

North Carolina's Welcome Centers are still on a seven-day operation, promoting the state's attractions, accommodations and events to visitors. With the lifting of the hiring freeze the division has been able to fill several vacant positions. The visitnc.com website now also features the Welcome Centers prominently each on their own page with maps, pictures and descriptions of amenities.

Additionally, the N.C. Dept. of Transportation completed work on a renovation of the Mecklenburg County Rest Area, which includes an exterior makeover of the Welcome Center building and replacement of the public restrooms. The I-77 South Welcome Center now has a more prominent entrance directly off the visitor parking area and a slightly enlarged display area. The I-40 center near the rockslide is closed indefinitely, but the staff there has been repurposed for scouting film locations and to fill in at the I-26 centers nearby, while they wait for the road to be cleared and reopened.

LEGISLATIVE UPDATES

Amy McConkey from the NC Travel and Tourism Coalition reported that their annual meeting was in November, where they outlined priorities for this fiscal year including funding for the division, tax reform, franchise taxes and school start.

Meeting adjourned at 1:40 p.m.