



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

December 7, 2010

BOARD MEMBERS PRESENT: Sally Ashworth, Chris Cavanaugh, Randy Cobb, Secretary Keith Crisco, Denny Edwards, Lynn Minges, Kimberly Hufham, Penny Leary-Smith, Robert O'Halloran, Davin Olsen, Harris Prevost, Thomas M. Pashley, Joan H. Pulley, Jamie Reibel, Steve Thanhauser

BOARD MEMBERS ABSENT: Teresa Damiano, Sen. Don Davis, Lew Ebert, Rep. Phil Haire, Vimal Kolappa, Randy Kolls, John Meroski, Sen. Joe Sam Queen, Leonard Rigsbee, Tom Ruff, Susan Spangler, Richard Thigpen, Rep. Alice Underhill, Mitzi York

LIAISONS, STAFF AND GUESTS PRESENT: Tim Bass, Secretary Linda Carlisle, Rep., Juli Cooney, Maryanne Friend, Scott Gilmore, Maeve Goff, Bryan Gupton, Rita Harris, Jennifer Jenkins, Tammy O'Kelley, Dana Simpson, Holt Spencer, Eleanor Talley, Marlise Taylor, Tom Tillis, Wit Tuttell, Jon Williams, Connie Wilson

CALL TO ORDER

Chairman Steve Thanhauser called the meeting to order at 11:02am

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Steve Thanhauser read the Statement of Duty aloud (Ethics policies EO 34 and EO 35). Steve thanked everyone for coming and announced there will be a change in the agenda. He then turned the meeting over to Secretary Crisco for introductions and background on Representative Thom Tillis.

INTRODUCTIONS BY SECRETARY KEITH CRISCO

Secretary Crisco introduced Representative Thom Tillis to the board.

COMMENTS FROM SPEAKER-DESIGNATE THOM TILLIS

Rep. Tillis said the 2011 legislative session will be "about getting our fiscal house in order" and adjourning at the end of June. Having worked with the Visit Lake Norman CVB, he said he understands tourism and its value and importance. He demonstrated a detailed knowledge of the industry. "We can stimulate economic development," he said, but the Legislature faces tough choices.

The incoming speaker invited input from the tourism industry—"the sooner the better and the louder the better." He said tourism is "one of the industries we've got to take care of and hopefully grow." He encouraged interested parties to reach out to Rep. Harold Brubaker as a contact for tourism-related issues.

DIVISION UPDATE BY LYNN MINGES

Economic trends continued to improve through the summer and fall. Fall has become one of the most important seasons when the Division showcases NC and is an important shoulder season for the industry.

Attractions showed great numbers including Welcome Center visitation up 6%; Biltmore up 9%; the NC zoo up 39%; and the Battleship up 17%. People have been taking shorter trips closer to home and these numbers show that trend.

Hurricane Earl arrived on the eve of Labor Day weekend. National media camped out including CNN and the Weather Channel. The Division did a great job staying in front of the story nationally. The storm passed over NC, and it was a beautiful Labor Day weekend. The Governor got on TV and announced the beaches were open, which was a huge benefit to the tourism industry and showed the Governor understands the tourism industry.

Year to date room occupancy is up 6.8% which was stronger than many of our competitors. Room rates are still down 1.2%, but continue improving every month. RevPar is up 5.5% and Room Revenues are up 8.1%. Room demand, a key indicator, is up 9.7%. We have added to our hotel inventory by 2.5%.

The \$1 million additional advertising dollars received last year greatly helped the industry stay strong, allowing the Division to pick-up some additional marketing and advertising opportunities when some destinations and other entities had less revenue due to a drop in occupancy taxes and other economic factors.

The state is facing a \$3.5 billion deficit. The Governor and General Assembly have asked for scenarios of 5%, 10% and 15% spending reductions. Unfortunately, the General Assembly is looking at program cuts, as there is no more fat to trim. The Division will not ask for increased funding, but hopes to maintain the additional \$1million in advertising funding. Tourism is a revenue generating industry that employs many workers throughout the entire state. The industry must know these figures, tout them, and push for the same funding as last year at the legislature.

During the fall, the Division focused resources with enhanced efforts and big success in the newly launched "*North Carolina Dreams in Color*" 8 week fall campaign. Highlights included weekly promotions including packages from partners all over the state. The Weather Channel featured North Carolina in the "Why We Love Fall" programming with TV segments, commercial spots, and website exposure on the Weather Channel's site. This gave the state huge exposure as it was viewed by 100 million households. North Carolina garnered three hours of airtime, 54 minutes of paid national airtime, and reached 21 million viewers at a value of \$12 million. The fall promotion not only featured the mountains, but also fall fishing, festivals, and other activities in the piedmont and at the coast.

The "Shadow of the Bear" story was a PR success for the Division. It was picked up by the Associated Press and seen by over 115 million people internationally and domestically running in the New York Times, USA Today, and countless other publications at no cost to the Division or its partners.

The October edition of Southern Living magazine included \$2.3 million worth of media promoting North Carolina. This featured the Blue Ridge Parkway 75th, Highlands, and a 9 page article titled "Inside the Outerbanks". The ad value just for the Outer Banks was \$1.6 million.

The commemoration of the 150th Anniversary of the Civil War is approaching. NC has partnered with Virginia, Maryland, West Virginia and Tennessee forming to promote Civil War Trails.

The Division is launching a new program called TRAC (Tourism Resource Assistance Center), taking its management team out in the communities to help assist businesses to utilize the Division and other resources available to them through Commerce.

The 2011 Travel Guide will be unveiled December 15th with 146 partners investing \$1.5 million. It will be available online and in print.

ADVERTISING AND MARKETING UPDATE FROM WIT TUTTELL

The Division successfully promoted Lake Lure's Dirty Dancing festival, which was a huge hit internationally. The Division's UK and German offices helped organize a joint press trip which also tied in film and sports. Already 10 or 12 stories from this press trip alone have been generated.

Kristi Driver, Domestic Marketing Manager, attended the National Tour Association in Canada and the American Bus Association in Philadelphia.

Golf is migrating back to visitnc.com and the site will be leveraging golf tournaments into co-ops and media. Skiing is an important part of the winter season for the mountains with \$146 million impact for the region. The Division continues to promote partner programs and direct media for the ski season.

MINUTES APPROVED

Davin Olsen motioned for approval of the August 17, 2010 meeting minutes. The motion was seconded by Kim Hufham and passed unanimously.

COMMENTS FROM MARLISE TAYLOR

The 2009 Tourism Satellite Account has been completed and summary of results are on the Commerce website. This study monitors the impact of tourism on the economy. By monitoring the economic impact of tourism, policy makers can make informed decisions regarding the funding and prioritization of tourism development. The Tourism Satellite account defines the tourism economy and provides the methodology in calculating tourism GDP.

The Tourism Satellite Account looks at the full range of tourism-related business activity. In NC, economic activity in the tourism sector sustains 362,052 jobs; meaning 8.7% of all wage and salary employment in the state is directly or indirectly dependent on tourism.

For more results visit www.nccommerce.com/tourism/research .

COMMENTS BY LEGISLATORS AND INDUSTRY PARTNERS

Maeve Goff, Kim Hufham and Denny Edwards commented on their tourism industry associations and organizations efforts in the legislature this year, including the issues they would be focusing on and the ongoing support for the preservation of the Division budget.

Maeve discussed the T&T Coalition annual board retreat, implementation of the new tax on accommodations bill and lobbying to keep the current Division of Tourism budget.

Kim discussed the NCTIA Legislative board retreat, school start date, welcome centers cuts and fees, monitoring the legislature for new laws affecting the tourism industry and lobbying to keep the current Division of Tourism budget.

Denny discussed the DMANC legislative agenda including environmental laws, school start date, employee free choice act, and education of new legislators about the industry and tourism economy.

Meeting adjourned at 1:40pm