



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

December 6, 2011

BOARD MEMBERS PRESENT: Josh Bass, Sabrina Bengel, Rolf Blizzard, Donna Carpenter, Randy Cobb, Denny Edwards, Sen. Ralph Hise, Chris Humphrey, Vimal Kolappa, Randy Kolls, Lynn Minges, Sen. Jean Preston, Harris Prevost, Robert O'Halloran, Davin Olsen, Susan Spangler, Steve Thanhauser

BOARD MEMBERS ABSENT: Chris Cavanaugh, Sec. Keith Crisco, Teresa Damiano, Lew Ebert, Rep. Phillip Haire, Rep. Susi Hamilton, Kim Hufham, Joan Pulley, Jamie Reibel, Leonard Rigsbee, Tom Ruff, Mitzi York

LIAISONS, STAFF AND GUESTS PRESENT: Sec. Linda Carlisle, Peggy Brookhouse, Steve Dunkley, Scott Gilmore, Bryan Gupton, Brooks Luquire, Andre Nabors, Eleanor Talley, Marlise Taylor, Wit Tuttell

CALL TO ORDER

Steven Thanhauser called the meeting to order at 11:07 a.m. The statement of duty was read aloud (Ethics policies EO 34 and EO 35).

MINUTES APPROVED

Josh Bass motioned to approve the August 16, 2011 meeting minutes. The motion was seconded by Randy Cobb and unanimously approved.

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Steve Thanhauser welcomed the Board to Raleigh and recognized new board members Chris Humphrey, Senator Jean Preston, and Senator Ralph Hise. Reappointed board members Randy Kolls, Bob O'Halloran, Steve Thanhauser, Jamie Reibel and Randy Cobb were also recognized. Departing board members Penny Leary-Smith, Tom Pashley and Tom Ruff were all thanked for their exemplary service to the board through the years. The board also appointed a committee to appoint a new chairman consisting of the past board chairmen Steve Thanhauser, Tom Ruff and Chris Cavanaugh to present a candidate for a full vote before the board in February. Lynn Minges was recognized for assuming the chairmanship of the National Council of State Tourism Directors in August 2011.

COMMENTS BY LEGISLATORS AND BOARD LIAISONS

Senator Jean Preston is looking forward to working with the board to promote tourism to North Carolina. She would like to see the division getting the support it needs to bring visitors to the state. There continue to be many challenges ahead for the legislature and the state.

Senator Ralph Hise discussed the good news that revenue reports were looking good so far this year. He expressed his desire to work with the division and industry to help needs be met, but he also indicated that the state and legislature face many challenges moving forward this year.

Rolf Blizzard discussed the Travel and Tourism Coalition's renewed focus on several issues following their annual retreat. They continue to closely monitor the state tourism budget, tax reform, school calendar, occupancy tax standards, support of casino nights for non-profits, regulatory reform, tax credits and the current study of state held entities like the zoo, aquariums and other facilities in private/public partnerships across the state.

Randy Kolls representing NCRLA talked about the table gaming push in Western North Carolina by the Cherokee tribe, as well as the upcoming Taste of North Carolina event in February at Pinehurst. The NCRLA reported that business continues to be up across the state.

Harris Prevost representing NCTIA cited the organizations continued concern with the school calendar law, as well as the compliance and enforcement of the occupancy tax laws and collections.

Denny Edwards representing DMANC discussed the September Travel Leadership Conference, and indicated the organizations continued focus on research and the launch of their new young professionals group to encourage and mentor hospitality professionals from the younger generations.

DIVISION UPDATE BY LYNN MINGES

Lynn Minges discussed the Division's efforts to mitigate tourism losses from Hurricane Irene and the hurricane's lasting effects on NC and the tourism industry in late August and early September. Areas of the Outer Banks are still suffering from the damage the storm did, the division worked very hard with its industry partners and the Governor to make sure that visitors knew the beach was open for business over Labor Day weekend.

The Smith Travel Report showed 2011 shaping up to be a very good year. Hotel occupancy was up 4.1%; room rates were up 2.3%; and demand was up 5.1%.

The Division conducted its Mid-Year Marketing Updates (MYMU) in September with a more personal and focused format for the three regions within the state. Division staff went 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. The sessions held in Asheville, Nags Head, Atlantic Beach and Concord were well-attended.

The Division won a national Mercury Award for its cooperative marketing programs recognized by the National Council of State Tourism Directors in August 2011. It was the 22nd Mercury Award since 1985 for the Division.

The Division's 2010 annual report is available online at annualreport.visitnc.com The Division is required to provide this to the General Assembly by October 1 every year.

The 2012 NC Travel Guides will be released in mid-December. The Division of Tourism will distribute 600,000 copies of the guide. The publication represents a \$1.3 million investment by division travel partners in print and online advertising and cooperative marketing efforts. Destinations, attractions and accommodations are listed for free.

There are many upcoming opportunities in NC including 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 showcase all of North Carolina to these delegates. The 150th Anniversary of the Civil War continues through 2015, as well as the Rembrandt exhibit at the NC Museum of Art, the 2013 World Freestyle Kayaking Championships at Nantahala Outdoor Center and the 2014 US Men's and Women's Open Golf Championships at Pinehurst No. 2.

Brand USA, formerly the Corporation for Travel Promotion, was introduced at World Travel Market in early November. It will use a public-private partnership funding model.

With no increase in its budget, North Carolina maintained its rank as the sixth most visited state according to the 2010 data, although many of the state's Southern competitors saw big gains in their budgets, which could begin to affect North Carolina's market share in the coming years. Among Southeast competitors, only Florida ranks ahead of North Carolina in market share.

Film opportunities in North Carolina are booming with the spending impact of films at \$220 million already exceeding the goal of \$200 million for 2011. The Hunger Games, the largest film produced in NC, will be released in March 2012. Iron Man 3 announced it will film in NC in 2012 over a 10 month period with an estimated economic impact of over \$80 million.

During its last session the General Assembly abolished the NC Wine and Grape Council, and two new five member wine advisory committees were appointed by the Secretary of Commerce. The Division will be focusing on Wine Tourism as a separate niche in the marketing strategy with new marketing goals and tourism aspects with the marketing campaign.

MARKETING UPDATE FROM WIT TUTTELL

Fall 2011 was all about great color in NC and "Color Outside the Lines". Highlights included the wine, food, events and all other fall aspects of North Carolina travel. Additional eblasts, sweepstakes and Groupon style promotions occurred throughout the season. Fall print advertising included several advertorials providing a great venue to promote the brand and VisitNC.com while also sharing more of North Carolina's story in longer format articles. Despite a reduced budget when compared to last year, results have been strong. Visits to VisitNC.com were running about 5 percent ahead of the record pace set in 2010.

Fall also saw the beginning of a year-long promotional campaign with Good Housekeeping that will continue through next summer both in print and online with the Good Housekeeping family of websites. High Country Host, Greensboro and the Brunswick Islands are the three partners participating in this campaign.

VisitNC has transitioned to holiday and winter messaging through the New Year. The Division is continuing its long-standing partnership with the six ski area members of the North Carolina Ski Areas Association. The paid media buy is a joint investment between the Association and the Division, which begins prior to Christmas and runs through the Martin Luther King holiday in mid-January.

The Division also launched a new mobile micro-site which alone has experienced over 57,000 unique visits since July. The Division is also using social media in innovative ways to engage visitors.

Some highly visible public relations highlights include a pickup of a pitch for McAdenville holiday lights in Yahoo! Travel, USA Today and the Chicago Tribune, a feature on the CBS Early Show of "Local Legend" Max Woody from McDowell County, and ABC's "Born to Explore" which featured the Outer Banks. International public relations saw success in Der Spiegel with a feature on the Blue Ridge Parkway resulting from an individual press trip. International marketing also hosted a German Sales Mission and a group of Canadian travel agents.

The Division hosted a Domestic sales mission in Pennsylvania and Ohio in September, attended TEAMS in October, attended NTA in December and is making preparations for ABA in January in Texas.

Strategic planning continues for 2012-2013 to be unveiled at the Governor's Conference in March.

TOTAL ECONOMIC IMPACT OF TOURISM IN NC

Marlise Taylor, research director for the Division of Tourism, presented the 2010 total economic impact of tourism study to the board. With \$21.8 billion in tourism demand in North Carolina, tourism activity generated GDP of \$16.6 billion for North Carolina's economy. This is 3.9% of the state economy.

The tourism sector directly and indirectly supported more than 370,000 jobs, or 9.0% of all payroll employment in North Carolina last year making tourism the 4th largest private employer in the state.

Taxes of \$5.3 billion were directly and indirectly generated by tourism in 2010. State and local taxes alone tallied \$2.6 billion saving NC taxpayers \$729 a year.

CERTIFIED RETIREMENT COMMUNITIES

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 Division is working to implement this program with the Community Assistance Division in the Department of Commerce. There is no marketing money to fund this program, so much of what is being presented will depend on buy-in from communities to market the program successfully. A website is being developed, as well as other initiatives to launch the program. The Division hosted a meeting with interested community partners in December in Raleigh.

CLOSING COMMENTS FROM THE CHAIRMAN

Steve Thanhauser encouraged all the board members to attend the NC Governor's Conference on Tourism in March in Concord. He also highly praised the 2012 Travel Guide and the hard work the division puts into it each year.

Meeting adjourned at 1:45 p.m.