



# NORTH CAROLINA TRAVEL AND TOURISM BOARD

## MEETING MINUTES

February 22, 2011

**BOARD MEMBERS PRESENT:** Josh Bass, Rolf Blizzard, Teresa Damiano, Denny Edwards, Kimberly Hufham, Vimal Kolappa, Randy Kolls, Penny Leary-Smith, Lynn Minges, Bob O'Halloran, Dave Olsen, Harris Prevost, Joan H. Pulley, Susan Spangler, Steve Thanhauser

**BOARD MEMBERS ABSENT:** Sally Ashworth, Randy Cobb, Senator Don Davis, S. Lewis Ebert, Rep. Phillip Haire, Rep. Susi Hamilton, Thomas M. Pashley, Joe Sam Queen, Jamie Reibel, Leonard Rigsbee, Tom Ruff, Mitzi York

**LIAISONS, STAFF AND GUESTS PRESENT:** Amy Berenson, Juli Cooney, Tom Curtis, Scott Gilmore, Bryan Gupton, Justin Furr, George Ramsey, Eleanor Talley, Marlise Taylor

## CALL TO ORDER

Chairman Steve Thanhauser called the meeting to order at 11:07 a.m.

## MINUTES APPROVED

Dave Olsen motioned for approval of December 7, 2010 meeting minutes. The motion was seconded by Josh Bass and unanimously approved.

## COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Steve Thanhauser thanked Dave Olsen for hosting the board and liaisons at the RBC Center. Steve recognized the new members of the board: Josh Bass, Rolf Blizzard and Representative Susi Hamilton. Steve Thanhauser read the Statement of Duty aloud (Ethics policies EO 34 and EO 35).

Steve Thanhauser praised the turnout at the NC Travel and Tourism Coalition Legislative Breakfast held earlier that morning. Legislators asked many in-depth questions and seemed very responsive to tourism as a job creator and a revenue generator for all of North Carolina.

Every five years, as mandated by the State, the Division must issue a RFP for an advertising agency. Oral presentations for this will be held March 1<sup>st</sup> and 2<sup>nd</sup>.

## DIVISION UPDATE BY LYNN MINGES

The 2010 lodging report highlights include a rise in occupancy of 6.9% over 2009. This is the largest one year growth since the Division started tracking lodging. Room demand increased 9.37% and projections suggest that pre-recession numbers will return. Demand is an important indicator, and between 2005 and 2010 room demand was up 9.3%. Attractions have also seen increased attendance including Biltmore, Chimney Rock, Grandfather Mountain, North Carolina Battleship, Welcome Centers, airports and the Airborne Museum.

Early numbers indicate 2011 is looking very positive with January 2011 Smith Travel numbers showing an increase in room rates by 2.9%. North Carolina is higher on average than the US and South Atlantic region in room rates. The industry must pay particular attention to the rise in gas prices as this will affect travel throughout the state.

Lynn Minges introduced Tom Curtis from Longwoods International Inc. to present his preliminary findings from the "2011 North Carolina Advertising Evaluation and Image Study".

## COMMENTS FROM TOM CURTIS, LONGWOODS INTERNATIONAL, INC.

Longwoods International, Inc. was contracted to complete research in the areas of visitor tracking and profiling, image and branding, and communication effectiveness. The survey was conducted via a major American online consumer panel which is demographically balanced to represent the population of the markets being surveyed. North Carolina's overall

image is very strong showing the advertising dollars spent on branding are providing a 17:1 return on investment: for every \$1 North Carolina spends on advertising the state receives \$17 in state and local taxes.

#### **CONTINUED DIVISION UPDATE BY LYNN MINGES**

The Governor rolled out her 2011-2013 budget proposal on February 17, 2011. In the Governor's budget, all Welcome Centers would reduce staff and close on Tuesday and Wednesday of each week to cut costs by \$600,000 a year. The proposal also directs the Departments of Commerce and Transportation to explore privatization of the Welcome Centers for FY 2012-13.

Highlights from the beginning of the year include the launch of the new Travel Guide with 145 tourism industry partners generating \$1.6 million in advertising revenue to produce this publication. The NHL All-Star weekend was a roaring success with rave reviews for Raleigh hosts, the RBC Center and North Carolina as a whole. The US Figure Skating Championship in Greensboro was also a huge success with an estimated impact of \$26 million and seen on T.V. by 13.7 million viewers. The Division helped sponsor both the Figure Skating Championships and NHL All-Star weekend.

Governor Purdie assisted in opening the 100<sup>th</sup> Winery in North Carolina on January 27<sup>th</sup>. The number of wineries in North Carolina has doubled in the last 5 years.

The 2012 Democratic National Convention will be held in Charlotte next year and is estimated to have a \$200 million impact in Charlotte and the surrounding communities within a 50 mile radius of the event.

The Tourism Resource Assistance Center (TRAC) was established to help tourism-related businesses engage more fully with programs offered by Commerce and its partners. The Division of Tourism's program managers traveled to New Bern to discuss the nuts and bolts of working with the Division. Representatives from Commerce were also on hand to discuss services they can provide businesses. Representatives from more than 40 businesses attended the first event.

The Division continues to work hard to promote the 150<sup>th</sup> anniversary of the Civil War in collaboration with Cultural Resources and tourism industry partners. An updated Civil War Trails guide has just been produced for distribution through the NC Welcome Centers and 1-800-VISITNC. It is also available for download from VisitNC.com.

The North Carolina Film industry has seen an incredible surge since the tax credit was increased to 25%. The Film Office is currently working with 510 active projects. The film office sponsored a reception at the Sundance Film Festival to screen the North Carolina Film "to.get.her" which was a huge success.

The Division teamed with 20 partners from across the state in New York City to host 60 members of the media at an evening reception showcasing the best of North Carolina for 2011.

The yearly Winter Media Press Trip to the NC High Country in January hosted 6 journalists through the mountains gaining a great amount of print and TV exposure.

Spring media and partnership advertorials include but are not limited to NY Times Magazine, Cooking Light, and Travel & Leisure. Partner co-ops included Oprah, Southern Living, Family Circle and more. These are all traditional and proven media programs that continue to draw strong traffic for the Division.

The UK, Germany, and Canada remain important international markets for North Carolina. Current highlights include a recent sales mission in Canada, an upcoming UK Sales Mission, and the US Airways flight from Charlotte to Dublin.

The 2011 Governor's Conference, *The Rhythm of Success* is fast approaching. If you have not already made your reservations please do so. This is a wonderful opportunity to network, attend educational programs and collaborate with the numerous travel and tourism partners in the state. The Division's 2011-2012 Strategic Marketing Plan will also be

unveiled during the conference. Governor Perdue will also be speaking at the conference as well as many acclaimed industry speakers.

**COMMENTS BY LEGISLATORS AND INDUSTRY PARTNERS**

Rolf Blizzard reported the NC Travel & Tourism Coalition is working on many items with the new Legislators. The Legislative Breakfast was a huge success particularly the statistics on tax revenues the industry generates for the state. The 17:1 ratio of advertising return on investment was highlighted through pocket cards and discussed widely at the event. The NC Travel and Tourism Coalition is monitoring the OTC lawsuit and the school calendar issues at the legislature. Rolf encourages everyone to visit their legislators in their home districts. This is where the message resonates with their constituents and their businesses.

Randy Kolls representing the North Carolina Restaurant and Lodging Association pointed out the 2011 Legislative Agenda for NCLRA in the board packets.

Kim Hufham representing the North Carolina Travel Industry Association announced the hiring of their new lobbyist, Luann Perryman, who is already hard at work in the legislative complex.

Meeting adjourned at 1:40 p.m.